

**Union Calendar No. 300**

106TH CONGRESS  
2D SESSION

**H. R. 1776**

**[Report No. 106-553]**

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**A BILL**

To expand homeownership in the United States.

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MARCH 29, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

MAY 12, 1999

Mr. LAZIO (for himself and Mr. LEACH) introduced the following bill; which was referred to the Committee on Banking and Financial Services

MARCH 29, 2000

Additional sponsors: Mr. WEYGAND, Mrs. KELLY, Mr. HALL of Texas, Mr. RAMSTAD, Mr. MCINTOSH, Mr. PICKERING, Mr. GILMAN, Mr. WELLER, Mrs. MORELLA, Mr. BACHUS, Mrs. ROUKEMA, Mr. BALLENGER, Mr. BOEHLERT, Mr. SCHAFFER, Mr. METCALF, Mr. GREEN of Texas, Mr. DOYLE, Mr. COOK, Mr. GONZALEZ, Mr. DOOLITTLE, Mr. JONES of North Carolina, Mr. ADERHOLT, Ms. PRYCE of Ohio, Mr. SANDLIN, Mr. NEY, Mr. ENGLISH, Ms. HOOLEY of Oregon, Mr. EDWARDS, Mrs. MYRICK, Mr. BALDACCI, Mr. GOODE, Mr. BISHOP, Ms. DANNER, Mr. YOUNG of Alaska, Mr. RAHALL, Mr. HILL of Montana, Mr. UPTON, Ms. DUNN, Mr. BAKER, Mr. MOORE, Mr. MINGE, Mr. CASTLE, Ms. BROWN OF FLORIDA, Mr. CAMPBELL, Mr. REYES, Mr. PETERSON of Pennsylvania, Mr. DIAZ-BALART, Mr. BARTLETT of Maryland, Mrs. NORTHUP, Mr. GREEN of Wisconsin, Mr. HORN, Mr. LUCAS of Oklahoma, Mr. FRELINGHUYSEN, Mrs. CLAYTON, Mr. CUNNINGHAM, Mr. TAYLOR of Mississippi, Mr. MCHUGH, Mr. FLETCHER, Mr. SHOWS, Mr. WICKER, Mr. BEREUTER, Mr. GARY MILLER of California, Mr. FROST, Mr. SHIMKUS, Mr. BOUCHER, Mr. ISAKSON, Mr. STENHOLM, Mr. LOBIONDO, Mr. HOYER, Mr. MALONEY of Connecticut, Mr. RILEY, Mr. SWEENEY, Mr. GREENWOOD, Mrs. MEEK of Florida, Mr. BARCIA, Mr. LUCAS of Kentucky, Mr. LAMPSON, Mr. MASCARA, Mr. BARR of Georgia, Mr. PICKETT, Mr. LATOURETTE, Mr. PITTS, Mr. SIMPSON, Mr. DEFazio, Mr. HAYWORTH, Mr. HOLDEN, Mr. HOUGHTON, Mr. WAMP, Mr. HERGER, Mr. REYNOLDS, Mr. PASTOR, Mr. HAYES, Mr. DAVIS of Illinois, Mr. RYAN of Wisconsin, Mr. PETRI, Mrs. JOHNSON of Connecticut, Mr. KUYKENDALL, Mr. ETHERIDGE, Mr. PHELPS, Mr. GOODLATTE, Mr. SMITH of Wash-

ington, Mr. CALVERT, Mrs. BONO, Mr. MICA, Mr. BOSWELL, Mr. TERRY, Mr. SKEEN, Mr. BILBRAY, Mr. PORTMAN, Mr. FRANKS of New Jersey, Mr. THORNBERRY, Ms. BERKLEY, Mr. STEARNS, Mr. DAVIS of Florida, Mrs. MCCARTHY of New York, Mr. KANJORSKI, Mr. GORDON, Ms. SCHAKOWSKY, Mr. HOFFEL, Mr. BLUMENAUER, Mr. NORWOOD, Mr. JENKINS, Mr. WU, Mr. BASS, Ms. LEE, Mr. SHAYS, Mr. WELDON of Pennsylvania, Mr. BONILLA, Mrs. FOWLER, Mr. CROWLEY, Mr. HILL of Indiana, Mr. QUINN, Mr. MCKEON, Mrs. EMERSON, Mr. BORSKI, Mr. JOHN, Mr. LARSON, Mr. KIND, Mr. FORBES, Mr. COMBEST, Mr. THOMPSON of California, Mr. RYUN of Kansas, Ms. GRANGER, Mr. MCCOLLUM, Mr. BURTON of Indiana, Mr. LATHAM, Mr. GOODLING, Mr. GUTKNECHT, Mr. HUTCHINSON, Mr. ROEMER, Mr. BENTSEN, Mr. SHERMAN, Mr. BOEHNER, and Mr. PRICE OF NORTH CAROLINA

MARCH 29, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on May 12, 1999]

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## A BILL

To expand homeownership in the United States.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*  
 3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*  
 5 *“American Homeownership and Economic Opportunity*  
 6 *Act of 2000”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 8 *this Act is as follows:*

*Sec. 1. Short title and table of contents.*

*Sec. 2. Findings and purpose.*

### *TITLE I—REMOVAL OF BARRIERS TO HOUSING AFFORDABILITY*

*Sec. 101. Short title.*

*Sec. 102. Housing impact analysis.*

- Sec. 103. Grants for regulatory barrier removal strategies.*  
*Sec. 104. Eligibility for community development block grants.*  
*Sec. 105. Regulatory barriers clearinghouse.*

**TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE  
AND LOAN GUARANTEES**

- Sec. 201. Extension of loan term for manufactured home lots.*  
*Sec. 202. Downpayment simplification.*  
*Sec. 203. Reduced downpayment requirements for loans for teachers and uni-  
formed municipal employees.*  
*Sec. 204. Preventing fraud in rehabilitation loan program.*  
*Sec. 205. Neighborhood teacher program.*  
*Sec. 206. Community development financial institution risk-sharing demonstra-  
tion.*  
*Sec. 207. Hybrid ARMs.*  
*Sec. 208. Home equity conversion mortgages.*  
*Sec. 209. Law enforcement officer homeownership pilot program.*  
*Sec. 210. Study of mandatory inspection requirement under single family hous-  
ing mortgage insurance program.*  
*Sec. 211. Report on title I home improvement loan program.*

**TITLE III—SECTION 8 HOMEOWNERSHIP OPTION**

- Sec. 301. Downpayment assistance.*  
*Sec. 302. Pilot program for homeownership assistance for disabled families.*  
*Sec. 303. Funding for pilot programs.*

**TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS**

- Sec. 401. Reauthorization.*  
*Sec. 402. Prohibition of set-asides.*  
*Sec. 403. Public services cap.*  
*Sec. 404. Homeownership for municipal employees.*  
*Sec. 405. Technical amendment relating to brownfields.*  
*Sec. 406. Income eligibility.*  
*Sec. 407. Housing opportunities for persons with AIDS.*

**TITLE V—HOME INVESTMENT PARTNERSHIPS PROGRAM**

- Sec. 501. Reauthorization.*  
*Sec. 502. Eligibility of limited equity cooperatives and mutual housing associa-  
tions.*  
*Sec. 503. Administrative costs.*  
*Sec. 504. Leveraging affordable housing investment through local loan pools.*  
*Sec. 505. Homeownership for municipal employees.*  
*Sec. 506. Use of section 8 assistance by “grand-families” to rent dwelling units  
in assisted projects.*  
*Sec. 507. Loan guarantees.*  
*Sec. 508. Downpayment assistance for 2- and 3-family residences.*

**TITLE VI—LOCAL HOMEOWNERSHIP INITIATIVES**

- Sec. 601. Reauthorization of Neighborhood Reinvestment Corporation.*  
*Sec. 602. Homeownership zones.*  
*Sec. 603. Lease-to-own.*  
*Sec. 604. Local capacity building.*

- Sec. 605. Consolidated application and planning requirement and super-NOFA.*
- Sec. 606. Assistance for self-help housing providers.*
- Sec. 607. Housing counseling organizations.*
- Sec. 608. Community lead information centers and lead-safe housing.*

#### *TITLE VII—NATIVE AMERICAN HOUSING HOMEOWNERSHIP*

- Sec. 701. Lands Title Report Commission.*
- Sec. 702. Loan guarantees.*
- Sec. 703. Native American housing assistance.*

#### *TITLE VIII—TRANSFER OF HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS*

- Sec. 801. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.*
- Sec. 802. Transfer of HUD assets in revitalization areas.*

#### *TITLE IX—PRIVATE MORTGAGE INSURANCE CANCELLATION AND TERMINATION*

- Sec. 901. Short title.*
- Sec. 902. Changes in amortization schedule.*
- Sec. 903. Deletion of ambiguous references to residential mortgages.*
- Sec. 904. Cancellation rights after cancellation date.*
- Sec. 905. Clarification of cancellation and termination issues and lender paid mortgage insurance disclosure requirements.*
- Sec. 906. Definitions.*

#### *TITLE X—RURAL HOUSING HOMEOWNERSHIP*

- Sec. 1001. Promissory note requirement under housing repair loan program.*
- Sec. 1002. Limited partnership eligibility for farm labor housing loans.*
- Sec. 1003. Project accounting records and practices.*
- Sec. 1004. Definition of rural area.*
- Sec. 1005. Operating assistance for migrant farmworkers projects.*
- Sec. 1006. Multifamily rental housing loan guarantee program.*
- Sec. 1007. Enforcement provisions.*
- Sec. 1008. Amendments to title 18 of United States Code.*

#### *TITLE XI—MANUFACTURED HOUSING IMPROVEMENT*

- Sec. 1101. Short title and references.*
- Sec. 1102. Findings and purposes.*
- Sec. 1103. Definitions.*
- Sec. 1104. Federal manufactured home construction and safety standards.*
- Sec. 1105. Abolishment of National Manufactured Home Advisory Council; manufactured home installation.*
- Sec. 1106. Public information.*
- Sec. 1107. Research, testing, development, and training.*
- Sec. 1108. Fees.*
- Sec. 1109. Dispute resolution.*
- Sec. 1110. Elimination of annual report requirement.*
- Sec. 1111. Effective date.*
- Sec. 1112. Savings provision.*

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) *FINDINGS.—The Congress finds that—*

3 (1) *the priorities of our Nation should include*  
4 *expanding homeownership opportunities by providing*  
5 *access to affordable housing that is safe, clean, and*  
6 *healthy;*

7 (2) *our Nation has an abundance of conventional*  
8 *capital sources available for homeownership financ-*  
9 *ing;*

10 (3) *experience with local homeownership pro-*  
11 *grams has shown that if flexible capital sources are*  
12 *available, communities possess ample will and cre-*  
13 *ativity to provide opportunities uniquely designed to*  
14 *assist their citizens in realizing the American dream*  
15 *of homeownership; and*

16 (4) *each consumer should be afforded every rea-*  
17 *sonable opportunity to access mortgage credit, to ob-*  
18 *tain the lowest cost mortgages for which the consumer*  
19 *can qualify, to know the true cost of the mortgage, to*  
20 *be free of regulatory burdens, and to know what fac-*  
21 *tors underlie a lender's decision regarding the con-*  
22 *sumer's mortgage.*

23 (b) *PURPOSE.—It is the purpose of this Act—*

24 (1) *to encourage and facilitate homeownership by*  
25 *families in the United States who are not otherwise*  
26 *able to afford homeownership; and*

1           (2) to expand homeownership through policies  
2       that—

3                       (A) promote the ability of the private sector  
4       to produce affordable housing without excessive  
5       government regulation;

6                       (B) encourage tax incentives, such as the  
7       mortgage interest deduction, at all levels of gov-  
8       ernment; and

9                       (C) facilitate the availability of flexible cap-  
10      ital for homeownership opportunities and pro-  
11      vide local governments with increased flexibility  
12      under existing Federal programs to facilitate  
13      homeownership.

14   ***TITLE I—REMOVAL OF BARRIERS***  
15   ***TO HOUSING AFFORDABILITY***

16   ***SEC. 101. SHORT TITLE.***

17       *This title may be cited as the “Housing Affordability*  
18   *Barrier Removal Act of 2000”.*

19   ***SEC. 102. HOUSING IMPACT ANALYSIS.***

20       (a) *APPLICABILITY.*—*Except as provided in subsection*  
21   *(b), the requirements of this section shall apply with respect*  
22   *to—*

23                       (1) *any proposed rule, unless the agency promul-*  
24   *gating the rule—*

1           (A) has certified that the proposed rule will  
2           not, if given force or effect as a final rule, have  
3           a significant deleterious impact on housing af-  
4           fordability; and

5           (B) has caused such certification to be pub-  
6           lished in the *Federal Register* at the time of pub-  
7           lication of general notice of proposed rulemaking  
8           for the rule, together with a statement providing  
9           the factual basis for the certification; and

10          (2) any final rule, unless the agency promul-  
11          gating the rule—

12               (A) has certified that the rule will not, if  
13               given force or effect, have a significant dele-  
14               rious impact on housing affordability; and

15               (B) has caused such certification to be pub-  
16               lished in the *Federal Register* at the time of pub-  
17               lication of the final rule, together with a state-  
18               ment providing the factual basis for the certifi-  
19               cation.

20          Any agency making a certification under this subsection  
21          shall provide a copy of such certification and the statement  
22          providing the factual basis for the certification to the Sec-  
23          retary of Housing and Urban Development.



1       (b) *EXCEPTION FOR CERTAIN BANKING RULES.*—*The*  
2 *requirements of this section shall not apply to any proposed*  
3 *or final rule relating to—*

4           (1) *the operations, safety, or soundness of—*

5               (A) *federally insured depository institutions*  
6 *or any affiliate of such an institution (as such*  
7 *term is defined in section 2(k) of the Bank Hold-*  
8 *ing Company Act of 1956 (12 U.S.C. 1841(k));*

9               (B) *credit unions;*

10              (C) *the Federal home loan banks;*

11              (D) *the enterprises (as such term is defined*  
12 *in section 1303 of the Housing and Community*  
13 *Development Act of 1992 (12 U.S.C. 4502);*

14              (E) *a Farm Credit System institution; or*

15              (F) *foreign banks or their branches, agen-*  
16 *cies, commercial lending companies, or rep-*  
17 *resentative offices that operate in the United*  
18 *States, or any affiliate of a foreign bank (as such*  
19 *terms are defined in section 1 of the Inter-*  
20 *national Banking Act of 1978 (12 U.S.C. 3101);*  
21 *or*

22              (2) *the payments system or the protection of de-*  
23 *posit insurance funds or the Farm Credit Insurance*  
24 *Fund.*

1       (c) *STATEMENT OF PROPOSED RULEMAKING.*—When-  
2   ever an agency publishes general notice of proposed rule-  
3   making for any proposed rule, unless the agency has made  
4   a certification under subsection (a), the agency shall—

5           (1) *in the notice of proposed rulemaking—*

6               (A) *state with particularity the text of the*  
7               *proposed rule; and*

8               (B) *request any interested persons to submit*  
9               *to the agency any written analyses, data, views,*  
10              *and arguments, and any specific alternatives to*  
11              *the proposed rule that—*

12                   (i) *accomplish the stated objectives of*  
13                   *the applicable statutes, in a manner com-*  
14                   *parable to the proposed rule;*

15                   (ii) *result in costs to the Federal Gov-*  
16                   *ernment equal to or less than the costs re-*  
17                   *sulting from the proposed rule; and*

18                   (iii) *result in housing affordability*  
19                   *greater than the housing affordability re-*  
20                   *sulting from the proposed rule;*

21           (2) *provide an opportunity for interested persons*  
22           *to take the actions specified under paragraph (1)(B)*  
23           *before promulgation of the final rule; and*

1           (3) *prepare and make available for public com-*  
2           *ment an initial housing impact analysis in accord-*  
3           *ance with the requirements of subsection (d).*

4           (d) *INITIAL HOUSING IMPACT ANALYSIS.—*

5           (1) *REQUIREMENTS.—Each initial housing im-*  
6           *pect analysis shall describe the impact of the pro-*  
7           *posed rule on housing affordability. The initial hous-*  
8           *ing impact analysis or a summary shall be published*  
9           *in the Federal Register at the same time as, and to-*  
10          *gether with, the publication of general notice of pro-*  
11          *posed rulemaking for the rule. The agency shall trans-*  
12          *mit a copy of the initial housing impact analysis to*  
13          *the Secretary of Housing and Urban Development.*

14          (2) *MONTHLY HUD LISTING.—On a monthly*  
15          *basis, the Secretary of Housing and Urban Develop-*  
16          *ment shall cause to be published in the Federal Reg-*  
17          *ister, and shall make available through a World Wide*  
18          *Web site of the Department, a listing of all proposed*  
19          *rules for which an initial housing impact analysis*  
20          *was prepared during the preceding month.*

21          (3) *CONTENTS.—Each initial housing impact*  
22          *analysis required under this subsection shall*  
23          *contain—*

24                  (A) *a description of the reasons why action*  
25                  *by the agency is being considered;*

1                   (B) a succinct statement of the objectives of,  
2                   and legal basis for, the proposed rule;

3                   (C) a description of and, where feasible, an  
4                   estimate of the extent to which the proposed rule  
5                   would increase the cost or reduce the supply of  
6                   housing or land for residential development; and

7                   (D) an identification, to the extent prac-  
8                   ticable, of all relevant Federal rules which may  
9                   duplicate, overlap, or conflict with the proposed  
10                  rule.

11               (e) *PROPOSAL OF LESS DELETERIOUS ALTERNATIVE*  
12       *RULE.*—

13               (1) *ANALYSIS.*—The agency publishing a general  
14               notice of proposed rulemaking shall review any spe-  
15               cific analyses and alternatives to the proposed rule  
16               which have been submitted to the agency pursuant to  
17               subsection (c)(2) to determine whether any alternative  
18               to the proposed rule—

19                       (A) accomplishes the stated objectives of the  
20                       applicable statutes, in a manner comparable to  
21                       the proposed rule;

22                       (B) results in costs to the Federal Govern-  
23                       ment equal to or less than the costs resulting  
24                       from the proposed rule; and

1           (C) results in housing affordability greater  
2           than the housing affordability resulting from the  
3           proposed rule.

4           (2) NEW NOTICE OF PROPOSED RULEMAKING.—

5           If the agency determines that an alternative to the  
6           proposed rule meets the requirements under subpara-  
7           graphs (A) through (C) of paragraph (1), unless the  
8           agency provides an explanation on the record for the  
9           proposed rule as to why the alternative should not be  
10          implemented, the agency shall incorporate the alter-  
11          native into the final rule or, at the agency's discre-  
12          tion, issue a new proposed rule which incorporates the  
13          alternative.

14          (f) FINAL HOUSING IMPACT ANALYSIS.—

15               (1) REQUIREMENT.—Whenever an agency pro-  
16               mulgates a final rule after publication of a general  
17               notice of proposed rulemaking, unless the agency has  
18               made the certification under subsection (a), the agen-  
19               cy shall prepare a final housing impact analysis.

20               (2) CONTENTS.—Each final housing impact  
21               analysis shall contain—

22                       (A) a succinct statement of the need for, and  
23                       objectives of, the rule;

24                       (B) a summary of the significant issues  
25                       raised during the public comment period in re-

1        *sponse to the initial housing impact analysis, a*  
2        *summary of the assessment of the agency of such*  
3        *issues, and a statement of any changes made in*  
4        *the proposed rule as a result of such comments;*  
5        *and*

6                *(C) a description of and an estimate of the*  
7        *extent to which the rule will impact housing af-*  
8        *fordability or an explanation of why no such es-*  
9        *timate is available.*

10            *(3) AVAILABILITY.—The agency shall make cop-*  
11        *ies of the final housing impact analysis available to*  
12        *members of the public and shall publish in the Fed-*  
13        *eral Register such analysis or a summary thereof.*

14        *(g) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY*  
15        *ANALYSES.—*

16            *(1) DUPLICATION.—Any Federal agency may*  
17        *perform the analyses required by subsections (d) and*  
18        *(f) in conjunction with or as a part of any other*  
19        *agenda or analysis required by any other law, execu-*  
20        *tive order, directive, or rule if such other analysis sat-*  
21        *isfies the provisions of such subsections.*

22            *(2) JOINDER.—In order to avoid duplicative ac-*  
23        *tion, an agency may consider a series of closely re-*  
24        *lated rules as one rule for the purposes of subsections*  
25        *(d) and (f).*

1       (h) *PREPARATION OF ANALYSES.*—In complying with  
2 the provisions of subsections (d) and (f), an agency may  
3 provide either a quantifiable or numerical description of  
4 the effects of a proposed rule or alternatives to the proposed  
5 rule, or more general descriptive statements if quantifica-  
6 tion is not practicable or reliable.

7       (i) *EFFECT ON OTHER LAW.*—The requirements of  
8 subsections (d) and (f) do not alter in any manner stand-  
9 ards otherwise applicable by law to agency action.

10       (j) *PROCEDURE FOR WAIVER OR DELAY OF COMPLE-*  
11 *TION.*—

12               (1) *INITIAL HOUSING IMPACT ANALYSIS.*—An  
13 agency head may waive or delay the completion of  
14 some or all of the requirements of subsection (d) by  
15 publishing in the *Federal Register*, not later than the  
16 date of publication of the final rule, a written find-  
17 ing, with reasons therefor, that the final rule is being  
18 promulgated in response to an emergency that makes  
19 compliance or timely compliance with the provisions  
20 of subsection (a) impracticable.

21               (2) *FINAL HOUSING IMPACT ANALYSIS.*—An  
22 agency head may not waive the requirements of sub-  
23 section (f). An agency head may delay the completion  
24 of the requirements of subsection (f) for a period of  
25 not more than 180 days after the date of publication

1       *in the Federal Register of a final rule by publishing*  
2       *in the Federal Register, not later than such date of*  
3       *publication, a written finding, with reasons therefor,*  
4       *that the final rule is being promulgated in response*  
5       *to an emergency that makes timely compliance with*  
6       *the provisions of subsection (f) impracticable. If the*  
7       *agency has not prepared a final housing impact anal-*  
8       *ysis pursuant to subsection (f) within 180 days from*  
9       *the date of publication of the final rule, such rule*  
10       *shall lapse and have no force or effect. Such rule shall*  
11       *not be repromulgated until a final housing impact*  
12       *analysis has been completed by the agency.*

13       *(k) DEFINITIONS.—For purposes of this section, the*  
14       *following definitions shall apply:*

15               *(1) HOUSING AFFORDABILITY.—The term “hous-*  
16       *ing affordability” means the quantity of housing that*  
17       *is affordable to families having incomes that do not*  
18       *exceed 150 percent of the median income of families*  
19       *in the area in which the housing is located, with ad-*  
20       *justments for smaller and larger families. For pur-*  
21       *poses of this paragraph, area, median family income*  
22       *for an area, and adjustments for family size shall be*  
23       *determined in the same manner as such factors are*  
24       *determined for purposes of section 3(b)(2) of the*  
25       *United States Housing Act of 1937.*



1           (2) *AGENCY.*—*The term “agency” means each*  
2           *authority of the Government of the United States,*  
3           *whether or not it is within or subject to review by an-*  
4           *other agency, but does not include—*

5                     *(A) the Congress;*

6                     *(B) the courts of the United States;*

7                     *(C) the governments of the territories or*  
8           *possessions of the United States;*

9                     *(D) the government of the District of Co-*  
10          *lumbia;*

11                    *(E) agencies composed of representatives of*  
12          *the parties or of representatives of organizations*  
13          *of the parties to the disputes determined by*  
14          *them;*

15                    *(F) courts-martial and military commis-*  
16          *sions;*

17                    *(G) military authority exercised in the field*  
18          *in time of war or in occupied territory; or*

19                    *(H) functions conferred by—*

20                             *(i) sections 1738, 1739, 1743, and 1744*  
21          *of title 12, United States Code;*

22                             *(ii) chapter 2 of title 41, United States*  
23          *Code;*

24                             *(iii) subchapter II of chapter 471 of*  
25          *title 49, United States Code; or*

1                   (iv) sections 1884, 1891–1902, and  
2                   former section 1641(b)(2), of title 50, ap-  
3                   pendix, United States Code.

4           (3) *FAMILIES*.—The term “families” has the  
5           meaning given such term in section 3 of the United  
6           States Housing Act of 1937.

7           (4) *RULE*.—The term “rule” means any rule for  
8           which the agency publishes a general notice of pro-  
9           posed rulemaking pursuant to section 553(b) of title  
10          5, United States Code, or any other law, including  
11          any rule of general applicability governing grants by  
12          an agency to State and local governments for which  
13          the agency provides an opportunity for notice and  
14          public comment; except that such term does not in-  
15          clude a rule of particular applicability relating to  
16          rates, wages, corporate or financial structures or reor-  
17          ganizations thereof, prices, facilities, appliances, serv-  
18          ices, or allowances therefor or to valuations, costs or  
19          accounting, or practices relating to such rates, wages,  
20          structures, prices, appliances, services, or allowances.

21          (5) *SIGNIFICANT*.—The term “significant” means  
22          increasing consumers’ cost of housing by more than  
23          \$100,000,000 per year.

24          (l) *DEVELOPMENT*.—Not later than 1 year after the  
25          date of the enactment of this title, the Secretary of Housing

1 *and Urban Development shall develop model initial and*  
 2 *final housing impact analyses under this section and shall*  
 3 *cause such model analyses to be published in the Federal*  
 4 *Register. The model analyses shall define the primary ele-*  
 5 *ments of a housing impact analysis to instruct other agen-*  
 6 *cies on how to carry out and develop the analyses required*  
 7 *under subsections (a) and (d).*

8 *(m) JUDICIAL REVIEW.—*

9 *(1) DETERMINATION BY AGENCY.—Except as oth-*  
 10 *erwise provided in paragraph (2), any determination*  
 11 *by an agency concerning the applicability of any of*  
 12 *the provisions of this title to any action of the agency*  
 13 *shall not be subject to judicial review.*

14 *(2) OTHER ACTIONS BY AGENCY.—Any housing*  
 15 *impact analysis prepared under subsection (d) or (f)*  
 16 *and the compliance or noncompliance of the agency*  
 17 *with the provisions of this title shall not be subject to*  
 18 *judicial review. When an action for judicial review of*  
 19 *a rule is instituted, any housing impact analysis for*  
 20 *such rule shall constitute part of the whole record of*  
 21 *agency action in connection with the review.*

22 *(3) EXCEPTION.—Nothing in this subsection bars*  
 23 *judicial review of any other impact statement or*  
 24 *similar analysis required by any other law if judicial*

5           (a) *AUTHORIZATION OF APPROPRIATIONS.—Sub-*  
6 *section (a) of section 1204 of the Housing and Community*  
7 *Development Act of 1992 (42 U.S.C. 12705c(a)) is amended*  
8 *to read as follows:*

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—

Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

20                   (2) in the matter preceding paragraph (1), by  
21                   inserting after “States” the following: “and units of  
22                   general local government (including consortia of such  
23                   governments)”;

1           (3) in paragraph (3), by striking “a State pro-  
 2           gram to reduce State and local” and inserting “State,  
 3           local, or regional programs to reduce”;

4           (4) in paragraph (4), by inserting “or local”  
 5           after “State”; and

6           (5) in paragraph (5), by striking “State”.

7           (c) *REPEAL OF LOCAL GRANTS PROVISION.*—Section  
 8           1204 of the Housing and Community Development Act of  
 9           1992 (42 U.S.C. 12705c) is amended by striking subsection  
 10          (c).

11          (d) *APPLICATION AND SELECTION.*—The last sentence  
 12          of section 1204(e) of the Housing and Community Develop-  
 13          ment Act of 1992 (42 U.S.C. 12705c(e)) is amended—

14               (1) by striking “and for the selection of units of  
 15               general local government to receive grants under sub-  
 16               section (f)(2)”;

17               (2) by inserting before the period at the end the  
 18               following: “and such criteria shall require that grant  
 19               amounts be used in a manner consistent with the  
 20               strategy contained in the comprehensive housing af-  
 21               fordability strategy for the jurisdiction pursuant to  
 22               section 105(b)(4) of the Cranston-Gonzalez National  
 23               Affordable Housing Act”.

1       (e) *SELECTION OF GRANTEES.*—Subsection (f) of sec-  
 2       tion 1204 of the *Housing and Community Development Act*  
 3       of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

4       “(f) *SELECTION OF GRANTEES.*—To the extent  
 5       amounts are made available to carry out this section, the  
 6       Secretary shall provide grants on a competitive basis to eli-  
 7       gible grantees based on the proposed uses of such amounts,  
 8       as provided in applications under subsection (e).”.

9       (f) *TECHNICAL AMENDMENTS.*—Section 107(a)(1) of  
 10       the *Housing and Community Development Act of 1974* (42  
 11       U.S.C. 5307(a)(1)) is amended—

12               (1) in subparagraph (G), by inserting “and”  
 13       after the semicolon at the end;

14               (2) by striking subparagraph (H); and

15               (3) by redesignating subparagraph (I) as sub-  
 16       paragraph (H).

17       **SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT**  
 18       **BLOCK GRANTS.**

19       (a) *IN GENERAL.*—Section 104(c)(1) of the *Housing*  
 20       and *Community Development Act of 1974* (42 U.S.C.  
 21       5304(c)(1)) is amended by inserting before the comma the  
 22       following: “, which shall include making a good faith effort  
 23       to carry out the strategy established under section 105(b)(4)  
 24       of such Act by the unit of general local government to re-  
 25       move barriers to affordable housing”.

1       (b) *RULE OF CONSTRUCTION.*—*The amendment made*  
 2 *by subsection (a) may not be construed to create any new*  
 3 *private right of action.*

4       **SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.**

5       *Section 1205 of the Housing and Community Develop-*  
 6 *ment Act of 1992 (42 U.S.C. 12705d) is amended—*

7               (1) *in subsection (a)—*

8                       (A) *in the matter preceding paragraph (1),*  
 9                       *by striking “receive, collect, process, and assem-*  
 10                       *ble” and inserting “serve as a national reposi-*  
 11                       *tory to receive, collect, process, assemble, and dis-*  
 12                       *seminate”;*

13                      (B) *in paragraph (1)—*

14                               (i) *by striking “, including” and in-*  
 15                               *serting “(including”;* and

16                               (ii) *by inserting before the semicolon at*  
 17                               *the end the following: “), and the prevalence*  
 18                               *and effects on affordable housing of such*  
 19                               *laws, regulations, and policies”;*

20                               (C) *in paragraph (2), by inserting before*  
 21                               *the semicolon the following: “, including particu-*  
 22                               *larly innovative or successful activities, strate-*  
 23                               *gies, and plans”;* and

24                               (D) *in paragraph (3), by inserting before*  
 25                               *the period at the end the following: “, including*

1           *particularly innovative or successful strategies,*  
2           *activities, and plans”;*

3           *(2) in subsection (b)—*

4                   *(A) in paragraph (1), by striking “and” at*  
5           *the end;*

6                   *(B) in paragraph (2), by striking the period*  
7           *at the end and inserting “; and”; and*

8                   *(C) by adding at the end the following new*  
9           *paragraph:*

10           *“(3) by making available through a World Wide*  
11           *Web site of the Department, by electronic mail, or*  
12           *otherwise, provide to each housing agency of a unit*  
13           *of general local government that serves an area hav-*  
14           *ing a population greater than 100,000, an index of*  
15           *all State and local strategies and plans submitted*  
16           *under subsection (a) to the clearinghouse, which—*

17                   *“(A) shall describe the types of barriers to*  
18           *affordable housing that the strategy or plan was*  
19           *designed to ameliorate or remove; and*

20                   *“(B) shall, not later than 30 days after sub-*  
21           *mission to the clearinghouse of any new strategy*  
22           *or plan, be updated to include the new strategy*  
23           *or plan submitted.”; and*

24           *(3) by adding at the end the following new sub-*  
25           *sections:*



1       “(c) *ORGANIZATION.*—*The clearinghouse under this*  
2 *section shall be established within the Office of Policy Devel-*  
3 *opment of the Department of Housing and Urban Develop-*  
4 *ment and shall be under the direction of the Assistant Sec-*  
5 *retary for Policy Development and Research.*

6       “(d) *TIMING.*—*The clearinghouse under this section*  
7 *(as amended by section 105 of the Housing Affordability*  
8 *Barrier Removal Act of 2000) shall be established and com-*  
9 *mence carrying out the functions of the clearinghouse under*  
10 *this section not later than 1 year after the date of the enact-*  
11 *ment of such Act. The Secretary of Housing and Urban De-*  
12 *velopment may comply with the requirements under this*  
13 *section by reestablishing the clearinghouse that was origi-*  
14 *nally established to comply with this section and updating*  
15 *and improving such clearinghouse to the extent necessary*  
16 *to comply with the requirements of this section as in effect*  
17 *pursuant to the enactment of such Act.”.*

1 **TITLE II—HOMEOWNERSHIP**  
 2 **THROUGH MORTGAGE INSUR-**  
 3 **ANCE AND LOAN GUARAN-**  
 4 **TEES**

5 **SEC. 201. EXTENSION OF LOAN TERM FOR MANUFACTURED**  
 6 **HOME LOTS.**

7 *Section 2(b)(3)(E) of the National Housing Act (12*  
 8 *U.S.C. 1703(b)(3)(E)) is amended by striking “fifteen” and*  
 9 *inserting “twenty”.*

10 **SEC. 202. DOWNPAYMENT SIMPLIFICATION.**

11 *(a) IN GENERAL.—Section 203(b) of the National*  
 12 *Housing Act (12 U.S.C. 1709(b)) is amended—*

13 *(1) in paragraph (2)—*

14 *(A) in subparagraph (A), by realigning the*  
 15 *matter that precedes clause (ii) an additional 2*  
 16 *ems from the left margin;*

17 *(B) in the matter that follows subparagraph*  
 18 *(B)(iii)—*

19 *(i) by striking the 6th sentence (relat-*  
 20 *ing to the increases for costs of solar energy*  
 21 *systems) and all that follows through the*  
 22 *end of the penultimate undesignated para-*  
 23 *graph; and*

24 *(ii) by striking the 2d and 3rd sen-*  
 25 *tences of such matter; and*

1                   (C) by striking subparagraph (B);

2                   (2) by transferring and inserting subparagraph  
3           (A) of paragraph (10) after subparagraph (A) of  
4           paragraph (2) and amending such subparagraph by  
5           striking all of the matter that precedes clause (i) and  
6           inserting the following:

7                   “(B) not to exceed an amount equal to the  
8           sum of—”;

9                   (3) by transferring and inserting the last undes-  
10          ignated paragraph of paragraph (2) (relating to dis-  
11          closure notice) after subsection (e), realigning such  
12          transferred paragraph so as to be flush with the left  
13          margin, and amending such transferred paragraph by  
14          inserting “(f) DISCLOSURE OF OTHER MORTGAGE  
15          PRODUCTS.—” before “In conjunction”;

16                  (4) by transferring and inserting the sentence  
17          that constitutes the text of paragraph (10)(B) after  
18          the period at the end of the first sentence that follows  
19          subparagraph (B) (relating to the definition of  
20          “area”); and

21                  (5) by striking paragraph (10) (as amended by  
22          the preceding provisions this section).

23                  (b) CONFORMING AMENDMENTS.—Section 245 of the  
24          National Housing Act (12 U.S.C. 1715z–10) is amended—

1           (1) in subsection (a), by striking “, or if the  
2           mortgagor” and all that follows through “case of vet-  
3           erans”; and

4           (2) in subsection (b)(3), by striking “, or, if the”  
5           and all that follows through “for veterans,”.

6 **SEC. 203. REDUCED DOWNPAYMENT REQUIREMENTS FOR**  
7                               **LOANS FOR TEACHERS AND UNIFORMED MU-**  
8                               **NICIPAL EMPLOYEES.**

9           (a) *IN GENERAL.*—Section 203(b) of the National  
10          Housing Act (12 U.S.C. 1709(b)), as amended by section  
11          202 of this Act, is further amended by adding at the end  
12          the following new paragraph:

13                       “(10) *REDUCED DOWNPAYMENT REQUIREMENTS*  
14          *FOR TEACHERS AND UNIFORMED MUNICIPAL EMPLOY-*  
15          *EES.*—

16                       “(A) *IN GENERAL.*—Notwithstanding para-  
17          graph (2), in the case of a mortgage described in  
18          subparagraph (B)—

19                       “(i) the mortgage shall involve a prin-  
20          cipal obligation in an amount that does not  
21          exceed the sum of 99 percent of the ap-  
22          praised value of the property and the total  
23          amount of initial service charges, appraisal,  
24          inspection, and other fees (as the Secretary

1           *shall approve) paid in connection with the*  
 2           *mortgage;*

3           “(ii) *no other provision of this sub-*  
 4           *section limiting the principal obligation of*  
 5           *the mortgage based upon a percentage of the*  
 6           *appraised value of the property subject to*  
 7           *the mortgage shall apply; and*

8           “(iii) *the matter in paragraph (9) that*  
 9           *precedes the first proviso shall not apply*  
 10           *and the mortgage shall be executed by a*  
 11           *mortgagor who shall have paid on account*  
 12           *of the property at least 1 percent of the cost*  
 13           *of acquisition (as determined by the Sec-*  
 14           *retary) in cash or its equivalent.*

15           “(B) *MORTGAGES COVERED.—A mortgage*  
 16           *described in this subparagraph is a mortgage—*

17           “(i) *under which the mortgagor is an*  
 18           *individual who—*

19           “(I) *is employed on a full-time*  
 20           *basis as (aa) a teacher or adminis-*  
 21           *trator in a public or private school*  
 22           *that provides elementary or secondary*  
 23           *education, as determined under State*  
 24           *law, except that secondary education*  
 25           *shall not include any education beyond*

1 *grade 12, or (bb) a public safety officer*  
2 *(as such term is defined in section*  
3 *1204 of the Omnibus Crime Control*  
4 *and Safe Streets Act of 1968 (42*  
5 *U.S.C. 3796b), except that such term*  
6 *shall not include any officer serving a*  
7 *public agency of the Federal Govern-*  
8 *ment); and*

9 *“(II) has not, during the 12-*  
10 *month period ending upon the insur-*  
11 *ance of the mortgage, had any present*  
12 *ownership interest in a principal resi-*  
13 *dence located in the jurisdiction de-*  
14 *scribed in clause (ii); and*

15 *“(ii) made for a property that is lo-*  
16 *cated within the jurisdiction of—*

17 *“(I) in the case of a mortgage of*  
18 *a mortgagor described in clause*  
19 *(i)(I)(aa), the local educational agency*  
20 *(as such term is defined in section*  
21 *14101 of the Elementary and Sec-*  
22 *ondary Education Act of 1965 (20*  
23 *U.S.C. 8801)) for the school in which*  
24 *the mortgagor is employed (or, in the*  
25 *case of a mortgagor employed in a pri-*

1                   vate school, the local educational agen-  
 2                   cy having jurisdiction for the area in  
 3                   which the private school is located); or  
 4                   “(II) in the case of a mortgage of  
 5                   a mortgagor described in clause  
 6                   (i)(I)(bb), the jurisdiction served by the  
 7                   public law enforcement agency, fire-  
 8                   fighting agency, or rescue or ambu-  
 9                   lance agency that employs the mort-  
 10                  gagor.”.

11           (b) *DEFERRAL AND REDUCTION OF UP-FRONT PRE-*  
 12 *MIUM.—Section 203(c) of the National Housing Act (12*  
 13 *U.S.C. 1709(c)(2)) is amended—*

14                   (1) *in paragraph (2), in the matter preceding*  
 15                   *subparagraph (A), by striking “Notwithstanding”*  
 16                   *and inserting “Except as provided in paragraph (3)*  
 17                   *and notwithstanding”; and*

18                   (2) *by adding at the end the following new para-*  
 19                   *graph:*

20                   “(3) *DEFERRAL AND REDUCTION OF UP-FRONT PRE-*  
 21 *MIUM.—In the case of any mortgage described in subsection*  
 22 *(b)(10)(B):*

23                   “(A) *Paragraph (2)(A) of this subsection (relat-*  
 24                   *ing to collection of up-front premium payments) shall*  
 25                   *not apply.*

1           “(B) If, at any time during the 5-year period be-  
 2           ginning on the date of the insurance of the mortgage,  
 3           the mortgagor ceases to be employed as described in  
 4           subsection (b)(10)(B)(i)(I) or pays the principal obli-  
 5           gation of the mortgage in full, the Secretary shall at  
 6           such time collect a single premium payment in an  
 7           amount equal to the amount of the single premium  
 8           payment that, but for this paragraph, would have  
 9           been required under paragraph (2)(A) of this sub-  
 10          section with respect to the mortgage, as reduced by 20  
 11          percent of such amount for each successive 12-month  
 12          period completed during such 5-year period before  
 13          such cessation or prepayment occurs.”.

14 **SEC. 204. PREVENTING FRAUD IN REHABILITATION LOAN**  
 15 **PROGRAM.**

16          (a) *IN GENERAL.*—Section 203(k) of the National  
 17          Housing Act (12 U.S.C. 1709(k)) is amended by adding at  
 18          the end the following new paragraph:

19               “(7) *PREVENTION OF FRAUD.*—To prevent fraud under  
 20          the program for loan insurance authorized under this sub-  
 21          section, the Secretary shall, by regulation, take the following  
 22          actions:

23               “(A) *PROHIBITION OF IDENTITY OF INTEREST.*—  
 24          The Secretary shall prohibit any identity-of-interest,  
 25          as such term is defined by the Secretary, between any



1       of the following parties involved in a loan insured  
 2       under this subsection: the borrower (including, in the  
 3       case of a borrower that is a nonprofit organization,  
 4       any member of the board of directors or the staff of  
 5       the organization), the lender, any consultant, any real  
 6       estate agent, any property inspector, and any ap-  
 7       praiser. Nothing in this subparagraph may be con-  
 8       strued to prohibit or restrict, or authorize the Sec-  
 9       retary to prohibit or restrict, the functioning of a af-  
 10      filiated business arrangement that complies with the  
 11      requirements under section 8(c)(4) of the Real Estate  
 12      Settlement Procedures Act of 1974 (12 U.S.C.  
 13      2607(c)(4)).

14               “(B) *NONPROFIT PARTICIPATION.*—The Sec-  
 15      retary shall establish minimum standards for a non-  
 16      profit organization to participate in the program,  
 17      which shall include—

18                       “(i) requiring such an organization to dis-  
 19      close to the Secretary its taxpayer identification  
 20      number and evidence sufficient to indicate that  
 21      the organization is an organization described in  
 22      section 501(c) of the Internal Revenue Code of  
 23      1986 that is exempt from taxation under subtitle  
 24      A of such Code;

1           “(ii) requiring that the board of directors of  
2           such an organization be comprised only of indi-  
3           viduals who do not receive any compensation or  
4           other thing of value by reason of their service on  
5           the board and who have no personal financial  
6           interest in the rehabilitation project of the orga-  
7           nization that is financed with the loan insured  
8           under this subsection;

9           “(iii) requiring such an organization to  
10          submit to the Secretary financial statements of  
11          the organization for the most recent 2 years,  
12          which have been prepared by a party that is un-  
13          affiliated with the organization and is qualified  
14          to prepare financial statements;

15          “(iv) limiting to 10 the number of loans  
16          that are insured under this subsection, made to  
17          any single such organization, and, at any one  
18          time, have an outstanding balance of principal  
19          or interest, except that the Secretary may in-  
20          crease such numerical limitation on a case-by-  
21          case basis for good cause shown; and

22          “(v) requiring such an organization to have  
23          been certified by the Secretary as meeting the re-  
24          quirements under this subsection and otherwise  
25          eligible to participate in the program not more

1           *than 2 years before obtaining a loan insured*  
2           *under this section.*

3           “(C) *COMPLETION OF WORK.*—*The Secretary*  
4           *shall prohibit any lender making a loan insured*  
5           *under this subsection from disbursing the final pay-*  
6           *ment of loan proceeds unless the lender has received*  
7           *affirmation, from the borrower under the loan, both*  
8           *in writing and pursuant to an interview in person*  
9           *or over the telephone, that the rehabilitation activities*  
10          *financed by the loan have been satisfactorily com-*  
11          *pleted.*

12          “(D) *CONSULTANT STANDARDS.*—*The Secretary*  
13          *shall require that any consultant, as such term is de-*  
14          *finied by the Secretary, who is involved in a home in-*  
15          *spection, site visit, or preparation of bids with respect*  
16          *to any loan insured under this section shall meet such*  
17          *standards established by the Secretary to ensure accu-*  
18          *rate inspections and preparation of bids.*

19          “(E) *CONTRACTOR QUALIFICATION.*—*The Sec-*  
20          *retary shall require, in the case of any loan that is*  
21          *insured under this subsection and involves rehabilita-*  
22          *tion with a cost of \$25,000 or more, that the con-*  
23          *tractor or other person performing or supervising the*  
24          *rehabilitation activities financed by the loan shall—*

1           “(i) be certified by a nationally recognized  
 2           organization as meeting industry standards for  
 3           quality of workmanship, training, and con-  
 4           tinuing education, including financial manage-  
 5           ment;

6           “(ii) be licensed to conduct such activities  
 7           by the State or unit of general local government  
 8           in which the rehabilitation activities are being  
 9           completed; or

10           “(iii) be bonded or provide such equivalent  
 11           protection, as the Secretary may require.”.

12           (b) *REPORT ON ACTIVITY OF NONPROFIT ORGANIZA-*  
 13           *TIONS UNDER PROGRAM.*—Not later than 60 days after the  
 14           date of the enactment of this Act, the Secretary of Housing  
 15           and Urban Development shall submit a report to the Con-  
 16           gress regarding the participation of nonprofit organizations  
 17           under the rehabilitation loan program under section 203(k)  
 18           of the National Housing Act (12 U.S.C. 1709(k)). The re-  
 19           port shall—

20           (1) determine and describe the extent of partici-  
 21           pation in the program by such organizations;

22           (2) identify and compare the default and claim  
 23           rates for loans made under the program to nonprofit  
 24           organizations and to owner-occupier participants;

1           (3) *analyze the impact, on such organizations*  
 2           *and the program, of prohibiting such organizations*  
 3           *from participating in the program; and*

4           (4) *identify other opportunities for such organi-*  
 5           *zations to acquire financing or credit enhancement*  
 6           *for rehabilitation activities.*

7           (c) *REGULATIONS.—The Secretary of Housing and*  
 8           *Urban Development shall issue final regulations and any*  
 9           *other administrative orders or notices necessary to carry*  
 10          *out the provisions of this section and the amendments made*  
 11          *by this section not later than 120 days after the date of*  
 12          *the enactment of this Act.*

13   **SEC. 205. NEIGHBORHOOD TEACHER PROGRAM.**

14          (a) *SHORT TITLE.—This section may be cited as the*  
 15          *“Neighborhood Teachers Act”.*

16          (b) *CONGRESSIONAL FINDINGS.—The Congress finds*  
 17          *that—*

18                 (1) *teachers are an integral part of our commu-*  
 19                 *nities;*

20                 (2) *other than families, teachers are often the*  
 21                 *most important mentors to children, providing them*  
 22                 *with the values and skills for self-fulfillment in adult*  
 23                 *life; and*

24                 (3) *the Neighborhood Teachers Act recognizes the*  
 25                 *value teachers bring to community and family life*

1        *and is designed to encourage and reward teachers*  
 2        *that serve in our most needy communities.*

3        (c) *DISCOUNT AND DOWNPAYMENT ASSISTANCE FOR*  
 4        *TEACHERS.—Section 204(h) of the National Housing Act*  
 5        *(12 U.S.C. 1710(h)) is amended—*

6                *(1) by redesignating paragraphs (7) through (10)*  
 7                *as paragraphs (8) through (11), respectively; and*

8                *(2) by inserting after paragraph (6) the fol-*  
 9                *lowing new paragraph:*

10                *“(7) 50 PERCENT DISCOUNT FOR TEACHERS PUR-*  
 11                *CHASING PROPERTIES THAT ARE ELIGIBLE ASSETS.—*

12                *“(A) DISCOUNT.—A property that is an eli-*  
 13                *gible asset and is sold, during fiscal years 2000*  
 14                *through 2004, to a teacher for use in accordance*  
 15                *with subparagraph (B) shall be sold at a price*  
 16                *that is equal to 50 percent of the appraised value*  
 17                *of the eligible property (as determined in accord-*  
 18                *ance with paragraph (6)(B)). In the case of a*  
 19                *property eligible for both a discount under this*  
 20                *paragraph and a discount under paragraph (6),*  
 21                *the discount under paragraph (6) shall not*  
 22                *apply.*

23                *“(B) PRIMARY RESIDENCE.—An eligible*  
 24                *property sold pursuant to a discount under this*  
 25                *paragraph shall be used, for not less than the 3-*

1        *year period beginning upon such sale, as the pri-*  
2        *mary residence of a teacher.*

3                *“(C) SALE METHODS.—The Secretary may*  
4        *sell an eligible property pursuant to a discount*  
5        *under this paragraph—*

6                *“(i) to a unit of general local govern-*  
7        *ment or nonprofit organization (pursuant*  
8        *to paragraph (4) or otherwise), for resale or*  
9        *transfer to a teacher; or*

10               *“(ii) directly to a purchaser who is a*  
11        *teacher.*

12               *“(D) RESALE.—In the case of any purchase*  
13        *by a unit of general local government or non-*  
14        *profit organization of an eligible property sold*  
15        *at a discounted price under this paragraph, the*  
16        *sale agreement under paragraph (8) shall—*

17               *“(i) require the purchasing unit of gen-*  
18        *eral local government or nonprofit organi-*  
19        *zation to provide the full benefit of the dis-*  
20        *count to the teacher obtaining the property;*  
21        *and*

22               *“(ii) in the case of a purchase involv-*  
23        *ing multiple eligible assets, any of which is*  
24        *such an eligible property, designate the spe-*  
25        *cific eligible property or properties to be*

1           *subject to the requirements of subparagraph*  
2           *(B).*

3           “(E) *MORTGAGE DOWNPAYMENT ASSIST-*  
4           *ANCE.—If a teacher purchases an eligible prop-*  
5           *erty pursuant to a discounted sale price under*  
6           *this paragraph and finances such purchase*  
7           *through a mortgage insured under this title, not-*  
8           *withstanding any provision of section 203 the*  
9           *downpayment on such mortgage shall be \$100.*

10          “(F) *PREVENTION OF UNDUE PROFIT.—The*  
11          *Secretary shall issue regulations to prevent*  
12          *undue profit from the resale of eligible properties*  
13          *in violation of the requirement under subpara-*  
14          *graph (B).*

15          “(G) *AWARENESS PROGRAM.—From funds*  
16          *made available for salaries and expenses for the*  
17          *Office of Policy Support of the Department of*  
18          *Housing and Urban Development, each field of-*  
19          *fice of the Department shall make available to el-*  
20          *ementary schools and secondary schools within*  
21          *the jurisdiction of the field office and to the*  
22          *public—*

23                 “(i) *a list of eligible properties located*  
24                 *within the jurisdiction of the field office*



1           *that are available for purchase by teachers*  
2           *under this paragraph; and*

3           “(ii) *other information designed to*  
4           *make such teachers and the public aware of*  
5           *the discount and downpayment assistance*  
6           *available under this paragraph.*

7           “(H) *DEFINITIONS.—For the purposes of*  
8           *this paragraph, the following definitions shall*  
9           *apply:*

10           “(i) *The terms ‘elementary school’ and*  
11           *‘secondary school’ have the meanings given*  
12           *such terms in section 14101 of the Elemen-*  
13           *tary and Secondary Education Act of 1965*  
14           *(20 U.S.C. 8801), except that, for purposes*  
15           *of this paragraph, elementary education (as*  
16           *used in such section) shall include pre-Kin-*  
17           *dergarten education.*

18           “(ii) *The term ‘eligible property’*  
19           *means an eligible asset described in para-*  
20           *graph (2)(A) of this subsection.*

21           “(iii) *The term ‘teacher’ means an in-*  
22           *dividual who is employed on a full-time*  
23           *basis, in an elementary or secondary school,*  
24           *as a State-certified classroom teacher or ad-*  
25           *ministrator.”.*

1       (d) *CONFORMING AMENDMENTS.*—Section 204(h) of  
 2   the *National Housing Act* (12 U.S.C. 1710(h)) is  
 3   amended—

4           (1) in paragraph (4)(B)(ii), by striking “para-  
 5   graph (7)” and inserting “paragraph (8)”;

6           (2) in paragraph (5)(B)(i), by striking “para-  
 7   graph (7)” and inserting “paragraph (8)”;

8           (3) in paragraph (6)(A), by striking “paragraph  
 9   (8)” and inserting “paragraph (9)”.

10       (e) *REGULATIONS.*—Not later than 90 days after the  
 11   date of the enactment of this Act, the Secretary shall issue  
 12   regulations to implement the amendments made by this sec-  
 13   tion.

14   **SEC. 206. COMMUNITY DEVELOPMENT FINANCIAL INSTITU-**  
 15       **TION RISK-SHARING DEMONSTRATION.**

16       Section 249 of the *National Housing Act* (12 U.S.C.  
 17   1715z–14) is amended—

18           (1) by striking the section heading and inserting  
 19   the following:

20               “*RISK-SHARING DEMONSTRATION*”;

21           (2) by striking “reinsurance” each place such  
 22   term appears and insert “risk-sharing”;

23           (3) in subsection (a)—

24               (A) in the first sentence, by striking “pri-  
 25   vate mortgage insurers” and inserting “insured

1           *community development financial institutions*”;  
 2           *and*

3           *(B) in the second sentence—*

4                     *(i) by striking “two” and inserting*  
 5                     *“4”; and*

6                     *(ii) by striking “March 15, 1988” and*  
 7                     *inserting “the expiration of the 5-year pe-*  
 8                     *riod beginning on the date of the enactment*  
 9                     *of the American Homeownership and Eco-*  
 10                    *nomic Opportunity Act of 2000”;*

11          *(4) in subsection (b)—*

12                    *(A) by striking “private mortgage insurance*  
 13                    *companies” each place such term appears and*  
 14                    *inserting “insured community development fi-*  
 15                    *nancial institutions”;*

16                    *(B) in the first sentence, by striking “which*  
 17                    *have been determined to be qualified insurers*  
 18                    *under section 302(b)(2)(C)”;*

19                    *(C) by striking paragraph (1) and inserting*  
 20                    *the following new paragraph:*

21                    *“(1) assume the first loss on any mortgage in-*  
 22                    *sured pursuant to section 203(b), 234, or 245 that*  
 23                    *covers a one- to four-family dwelling and is included*  
 24                    *in the program under this section, up to the percent-*

age of loss that is set forth in the risk-sharing contract;”; and

(D) in paragraph (2)—

(i) by striking “carry out (under appropriate delegation) such” and inserting “delegate underwriting,”; and

(ii) by striking “function” and inserting “functions”;

(5) in subsection (c)—

(A) in the first sentence—

(i) by striking “of” the first place it appears and insert “for”;

(ii) by striking “insurance reserves” and inserting “loss reserves”; and

(iii) by striking “such insurance” and inserting “such reserves”; and

(B) in the second sentence, by striking “private mortgage insurance company” and inserting “insured community development financial institution”;

(6) in subsection (d), by striking “private mortgage insurance company” and inserting “insured community development financial institution”; and

(7) by adding at the end the following new subsection:

1       “(e) *INSURED COMMUNITY DEVELOPMENT FINANCIAL*  
2 *INSTITUTIONS.*—For purposes of this section, the term ‘in-  
3 *sured community development financial institution*’ means  
4 *a community development financial institution, as such*  
5 *term is defined in section 103 of Reigle Community Devel-*  
6 *opment and Regulatory Improvement Act of 1994 (12*  
7 *U.S.C. 4702) that is an insured depository institution (as*  
8 *such term is defined in section 3 of the Federal Deposit*  
9 *Insurance Act (12 U.S.C. 1813)) or an insured credit union*  
10 *(as such term is defined in section 101 of the Federal Credit*  
11 *Union Act (12 U.S.C. 1752)).”.*

12 **SEC. 207. HYBRID ARMS.**

13       (a) *IN GENERAL.*—Section 251 of the National Hous-  
14 *ing Act (12 U.S.C. 1715z–16) is amended—*

15               (1) *in subsection (a), by inserting “IN GEN-*  
16 *ERAL.—” after “(a)”;*

17               (2) *by striking subsection (b) and inserting the*  
18 *following new subsection:*

19       “(b) *DISCLOSURE.*—In the case of any loan applica-  
20 *tion for a mortgage to be insured under any provision of*  
21 *this section, the Secretary shall require that the prospective*  
22 *mortgagee for the mortgage shall, at the time of loan appli-*  
23 *cation, make available to the prospective mortgagor a writ-*  
24 *ten explanation of the features of an adjustable rate mort-*  
25 *gage consistent with the disclosure requirements applicable*

1 *to variable rate mortgages secured by a principal dwelling*  
 2 *under the Truth in Lending Act (15 U.S.C. 1601 et seq.).”;*

3 *(3) in subsection (c), by inserting “LIMITATION*  
 4 *ON INSURANCE AUTHORITY.—” after “(c)”;* and

5 *(4) by adding at the end the following new sub-*  
 6 *section:*

7 *“(d) HYBRID ARMS.—The Secretary may insure*  
 8 *under this subsection a mortgage that—*

9 *“(1) has an effective rate of interest that shall*  
 10 *be—*

11 *“(A) fixed for a period of not less than the*  
 12 *first 3 years of the mortgage term;*

13 *“(B) initially adjusted by the mortgagee*  
 14 *upon the expiration of such period and annually*  
 15 *thereafter; and*

16 *“(C) in the case of the initial interest rate*  
 17 *adjustment, shall be subject to the limitation*  
 18 *under clause (2) of the last sentence of subsection*  
 19 *(a) (relating to prohibiting annual increases of*  
 20 *more than 1 percent) only if the interest rate re-*  
 21 *mains fixed for 5 or fewer years; and*

22 *“(2) otherwise meets the requirements for insur-*  
 23 *ance under subsection (a) that are not inconsistent*  
 24 *with the requirements under paragraph (1) of this*  
 25 *subsection.”.*

1       (b) *IMPLEMENTATION.*—*The Secretary of Housing and*  
 2       *Urban Development may implement section 251(d) of the*  
 3       *National Housing Act (12 U.S.C. 1715z–16(d)), as added*  
 4       *by subsection (a) of this section, in advance of rulemaking.*

5       **SEC. 208. HOME EQUITY CONVERSION MORTGAGES.**

6       (a) *INSURANCE FOR MORTGAGES TO REFINANCE EX-*  
 7       *ISTING HECMS.*—

8               (1) *IN GENERAL.*—*Section 255 of the National*  
 9       *Housing Act (12 U.S.C. 1715z–20) is amended—*

10                       (A) *by redesignating subsection (k) as sub-*  
 11                       *section (m); and*

12                       (B) *by inserting after subsection (j) the fol-*  
 13                       *lowing new subsection:*

14       “(k) *INSURANCE AUTHORITY FOR REFINANCINGS.*—

15               “(1) *IN GENERAL.*—*The Secretary may, upon*  
 16       *application by a mortgagee, insure under this sub-*  
 17       *section any mortgage given to refinance an existing*  
 18       *home equity conversion mortgage insured under this*  
 19       *section.*

20               “(2) *ANTI-CHURNING DISCLOSURE.*—*The Sec-*  
 21       *retary shall, by regulation, require that the mortgagee*  
 22       *of a mortgage insured under this subsection, provide*  
 23       *to the mortgagor, within an appropriate time period*  
 24       *and in a manner established in such regulations, a*  
 25       *good faith estimate of: (A) the total cost of the refi-*

1       nancing; and (B) the increase in the mortgagor's  
 2       principal limit as measured by the estimated initial  
 3       principal limit on the mortgage to be insured under  
 4       this subsection less the current principal limit on the  
 5       home equity conversion mortgage that is being refi-  
 6       nanced and insured under this subsection.

7               “(3) *WAIVER OF COUNSELING REQUIREMENT.*—  
 8       *The mortgagor under a mortgage insured under this*  
 9       *subsection may waive the applicability, with respect*  
 10       *to such mortgage, of the requirements under sub-*  
 11       *section (d)(2)(B) (relating to third party counseling),*  
 12       *but only if—*

13               “(A) *the mortgagor has received the disclo-*  
 14       *sure required under paragraph (2);*

15               “(B) *the increase in the principal limit de-*  
 16       *scribed in paragraph (2) exceeds the amount of*  
 17       *the total cost of refinancing (as described in such*  
 18       *paragraph) by an amount to be determined by*  
 19       *the Secretary; and*

20               “(C) *the time between the closing of the*  
 21       *original home equity conversion mortgage that is*  
 22       *refinanced through the mortgage insured under*  
 23       *this subsection and the application for a refi-*  
 24       *nancing mortgage insured under this subsection*  
 25       *does not exceed 5 years.*



1           “(4) *CREDIT FOR PREMIUMS PAID.*—Notwith-  
2           standing section 203(c)(2)(A), the Secretary may re-  
3           duce the amount of the single premium payment oth-  
4           erwise collected under such section at the time of the  
5           insurance of a mortgage refinanced and insured  
6           under this subsection. The amount of the single pre-  
7           mium for mortgages refinanced under this subsection  
8           shall be determined by the Secretary based on the ac-  
9           tuarial study required under paragraph (5).

10           “(5) *ACTUARIAL STUDY.*—Not later than 180  
11           days after the date of the enactment of the American  
12           Homeownership and Economic Opportunity Act of  
13           2000, the Secretary shall conduct an actuarial anal-  
14           ysis to determine the adequacy of the insurance pre-  
15           miums collected under the program under this sub-  
16           section with respect to—

17                   “(A) a reduction in the single premium  
18                   payment collected at the time of the insurance of  
19                   a mortgage refinanced and insured under this  
20                   subsection;

21                   “(B) the establishment of a single national  
22                   limit on the benefits of insurance under sub-  
23                   section (g) (relating to limitation on insurance  
24                   authority); and

1           “(C) *the combined effect of reduced insur-*  
2           *ance premiums and a single national limitation*  
3           *on insurance authority.*

4           “(6) *FEES.—The Secretary may establish a limit*  
5           *on the origination fee that may be charged to a mort-*  
6           *gagor under a mortgage insured under this sub-*  
7           *section, except that such limitation shall provide that*  
8           *the origination fee may be fully financed with the*  
9           *mortgage and shall include any fees paid to cor-*  
10          *respondent mortgagees approved by the Secretary. The*  
11          *Secretary shall prohibit the charging of any broker*  
12          *fees in connection with mortgages insured under this*  
13          *subsection.”.*

14          “(2) *REGULATIONS.—The Secretary shall issue*  
15          *any final regulations necessary to implement the*  
16          *amendments made by paragraph (1) of this sub-*  
17          *section, which shall take effect not later than the expi-*  
18          *ration of the 180-day period beginning on the date of*  
19          *the enactment of this Act. The regulations shall be*  
20          *issued after notice and opportunity for public com-*  
21          *ment in accordance with the procedure under section*  
22          *553 of title 5, United States Code, applicable to sub-*  
23          *stantive rules (notwithstanding subsections (a)(2),*  
24          *(b)(B), and (d)(3) of such section).*

1       (b) *HOUSING COOPERATIVES*.—Section 255(b) of the  
 2 *National Housing Act* (12 U.S.C. 1715z–20(b)) is  
 3 amended—

4           (1) in paragraph (2), by striking “‘mortgage’”;  
 5       and

6           (2) by adding at the end the following new para-  
 7       graphs:

8           “(4) *MORTGAGE*.—The term ‘mortgage’ means a  
 9       first mortgage or first lien on real estate, in fee sim-  
 10      ple, on all stock allocated to a dwelling in a residen-  
 11      tial cooperative housing corporation, or on a  
 12      leasehold—

13           “(A) under a lease for not less than 99  
 14      years that is renewable; or

15           “(B) under a lease having a period of not  
 16      less than 10 years to run beyond the maturity  
 17      date of the mortgage.

18           “(5) *FIRST MORTGAGE*.—The term ‘first mort-  
 19      gage’ means such classes of first liens as are com-  
 20      monly given to secure advances on, or the unpaid  
 21      purchase price of, real estate or all stock allocated to  
 22      a dwelling unit in a residential cooperative housing  
 23      corporation, under the laws of the State in which the  
 24      real estate or dwelling unit is located, together with  
 25      the credit instruments, if any, secured thereby.”.

1       (c) *WAIVER OF UP-FRONT PREMIUMS FOR MORT-*  
 2 *GAGES USED FOR COSTS OF LONG-TERM CARE INSURANCE*  
 3 *OR HEALTH CARE.*—*Section 255 of the National Housing*  
 4 *Act (12 U.S.C. 1715z–20) is amended by inserting after*  
 5 *subsection (k) (as added by subsection (a) of this section)*  
 6 *the following new subsection:*

7       “(l) *WAIVER OF UP-FRONT PREMIUMS.*—

8               “(1) *MORTGAGES TO FUND LONG-TERM CARE IN-*  
 9 *SURANCE.*—*In the case of any mortgage insured*  
 10 *under this section under which the total amount (ex-*  
 11 *cept as provided in paragraph (3)) of all future pay-*  
 12 *ments described in subsection (b)(3) will be used only*  
 13 *for costs of a qualified long-term care insurance con-*  
 14 *tract (as such term is defined in section 7702B of the*  
 15 *Internal Revenue Code of 1986 (26 U.S.C. 7702B))*  
 16 *that covers the mortgagor or members of the household*  
 17 *residing in the property that is subject to the mort-*  
 18 *gage, notwithstanding section 203(c)(2), the Secretary*  
 19 *shall not charge or collect the single premium pay-*  
 20 *ment otherwise required under subparagraph (A) of*  
 21 *such section to be paid at the time of insurance.*

22               “(2) *MORTGAGES TO FUND HEALTH CARE*  
 23 *COSTS.*—*In the case of any mortgage insured under*  
 24 *this section under which the future payments de-*  
 25 *scribed in subsection (b)(3) will be used only for costs*

1     *for health care services (as such term is defined by the*  
 2     *Secretary) for the mortgagor or members of the house-*  
 3     *hold residing in the property that is subject to the*  
 4     *mortgage and comply with limitations on such pay-*  
 5     *ments, as shall be established by the Secretary and*  
 6     *based upon the purposes of this subsection and the ac-*  
 7     *cumulated equity of the mortgagor in the property,*  
 8     *notwithstanding section 203(c)(2), the Secretary shall*  
 9     *not charge or collect the single premium payment oth-*  
 10    *erwise required under subparagraph (A) of such sec-*  
 11    *tion to be paid at the time of insurance.*

12           “(3) *AUTHORITY TO REFINANCE EXISTING MORT-*  
 13    *GAGE AND FINANCE CLOSING COSTS.—A mortgage de-*  
 14    *scribed in paragraphs (1) or (2) may provide financ-*  
 15    *ing of amounts that are used to satisfy outstanding*  
 16    *mortgage obligations (in accordance with such limita-*  
 17    *tions as the Secretary shall prescribe) any amounts*  
 18    *used for initial service charges, appraisal, inspection,*  
 19    *and other fees (as approved by the Secretary) in con-*  
 20    *nection with such mortgage, and the amount of future*  
 21    *payments described in subsection (b)(3) under the*  
 22    *mortgage shall be reduced accordingly.”.*

23           “(d) *STUDY OF SINGLE NATIONAL MORTGAGE LIMIT.—*  
 24    *The Secretary of Housing and Urban Development shall*  
 25    *conduct an actuarially based study of the effects of estab-*

1 *lishing, for mortgages insured under section 255 of the Na-*  
 2 *tional Housing Act (12 U.S.C. 1715z–20), a single max-*  
 3 *imum mortgage amount limitation in lieu of applicability*  
 4 *of section 203(b)(2) of such Act (12 U.S.C. 1709(b)(2)). The*  
 5 *study shall—*

6           (1) *examine the effects of establishing such limi-*  
 7 *tation at different dollar amounts; and*

8           (2) *examine the effects of such various limita-*  
 9 *tions on—*

10                   (A) *the risks to the General Insurance Fund*  
 11 *established under section 519 of such Act;*

12                   (B) *the mortgage insurance premiums that*  
 13 *would be required to be charged to mortgagors to*  
 14 *ensure actuarial soundness of such Fund; and*

15                   (C) *take into consideration the various ap-*  
 16 *proaches to providing credit to borrowers who re-*  
 17 *finance home equity conversion mortgages in-*  
 18 *sured under section 255 of such Act.*

19 *Not later than 180 days after the date of the enactment of*  
 20 *this Act, the Secretary shall complete the study under this*  
 21 *subsection and submit a report describing the study and*  
 22 *the results of the study to the Committee on Banking and*  
 23 *Financial Services of the House of Representatives and to*  
 24 *the Committee on Banking, Housing, and Urban Affairs*  
 25 *of the Senate.*

1 **SEC. 209. LAW ENFORCEMENT OFFICER HOMEOWNERSHIP**  
2 **PILOT PROGRAM.**

3 (a) *ASSISTANCE FOR LAW ENFORCEMENT OFFI-*  
4 *CERS.—The Secretary of Housing and Urban Development*  
5 *shall carry out a pilot program in accordance with this*  
6 *section to assist Federal, State, and local law enforcement*  
7 *officers purchasing homes in locally-designated high-crime*  
8 *areas.*

9 (b) *ELIGIBILITY.—To be eligible for assistance under*  
10 *this section, a law enforcement officer shall—*

11 (1) *have completed not less than 6 months of*  
12 *service as a law enforcement officer as of the date that*  
13 *the law enforcement officer applies for such assistance;*  
14 *and*

15 (2) *agree, in writing, to use the residence pur-*  
16 *chased with such assistance as the primary residence*  
17 *of the law enforcement officer for not less than 3 years*  
18 *after the date of purchase.*

19 (c) *MORTGAGE ASSISTANCE.—If a law enforcement of-*  
20 *ficer purchases a home in locally-designated high-crime*  
21 *area and finances such purchase through a mortgage in-*  
22 *sured under title II of the National Housing Act (12 U.S.C.*  
23 *1707 et seq.), notwithstanding any provision of section 203*  
24 *or any other provision of the National Housing Act, the*  
25 *following shall apply:*

26 (1) *DOWNPAYMENT.—*

1           (A) *IN GENERAL.*—*There shall be no down-*  
 2           *payment required if the purchase price of the*  
 3           *property is not more than the reasonable value*  
 4           *of the property, as determined by the Secretary.*

5           (B) *PURCHASE PRICE EXCEEDS VALUE.*—*If*  
 6           *the purchase price of the property exceeds the*  
 7           *reasonable value of the property, as determined*  
 8           *by the Secretary, the required downpayment*  
 9           *shall be the difference between such reasonable*  
 10          *value and the purchase price.*

11          (2) *CLOSING COSTS.*—*The closing costs and*  
 12          *origination fee for such mortgage may be included in*  
 13          *the loan amount.*

14          (3) *INSURANCE PREMIUM PAYMENT.*—*There shall*  
 15          *be 1 insurance premium payment due on the mort-*  
 16          *gage. Such insurance premium payment—*

17               (A) *shall be equal to 1 percent of the loan*  
 18               *amount;*

19               (B) *shall be due and considered earned by*  
 20               *the Secretary at the time of the loan closing; and*

21               (C) *may be included in the loan amount*  
 22               *and paid from the loan proceeds.*

23          (d) *LOCALLY-DESIGNATED HIGH-CRIME AREA.*—

24               (1) *IN GENERAL.*—*Any unit of local government*  
 25               *may request that the Secretary designate any area*



1       *within the jurisdiction of that unit of local govern-*  
 2       *ment as a locally-designated high-crime area for pur-*  
 3       *poses of this section if the proposed area—*

4               *(A) has a crime rate that is significantly*  
 5               *higher than the crime rate of the non-designated*  
 6               *area that is within the jurisdiction of the unit*  
 7               *of local government; and*

8               *(B) has a population that is not more than*  
 9               *25 percent of the total population of area within*  
 10              *the jurisdiction of the unit of local government.*

11              (2) *DEADLINE FOR CONSIDERATION OF RE-*  
 12              *QUEST.—Not later than 60 days after receiving a re-*  
 13              *quest under paragraph (1), the Secretary shall ap-*  
 14              *prove or disapprove the request.*

15              (e) *LAW ENFORCEMENT OFFICER.—For purposes of*  
 16              *this section, the term “law enforcement officer” has such*  
 17              *meaning as the Secretary shall provide, except that such*  
 18              *term shall include any individual who is employed as an*  
 19              *officer in a correctional institution.*

20              (f) *SUNSET.—The Secretary shall not approve any ap-*  
 21              *plication for assistance under this section that is received*  
 22              *by the Secretary after the expiration of the 3-year period*  
 23              *beginning on the date that the Secretary first makes avail-*  
 24              *able assistance under the pilot program under this section.*

1 **SEC. 210. STUDY OF MANDATORY INSPECTION REQUIRE-**  
2 **MENT UNDER SINGLE FAMILY HOUSING**  
3 **MORTGAGE INSURANCE PROGRAM.**

4 *The Comptroller General of the United States shall*  
5 *conduct a study regarding the inspection of properties pur-*  
6 *chased with loans insured under section 203 of the National*  
7 *Housing Act. The study shall evaluate the following issues:*

8 *(1) The feasibility of requiring inspections of all*  
9 *properties purchased with loans insured under such*  
10 *section.*

11 *(2) The level of financial losses or savings to the*  
12 *Mutual Mortgage Insurance Fund that are likely to*  
13 *occur if inspections are required on properties pur-*  
14 *chased with loans insured under such section.*

15 *(3) The potential impact on the process of buy-*  
16 *ing a home if inspections of properties purchased*  
17 *with loans insured under such section are required,*  
18 *including the process of buying a home in under-*  
19 *served areas where losses to the Mutual Mortgage In-*  
20 *surance Fund are greatest.*

21 *(4) The difference, if any, in the quality of*  
22 *homes purchased with loans insured under such sec-*  
23 *tion that are inspected before purchase and such*  
24 *homes that are not inspected before purchase.*

1           (5) *The cost to homebuyers of requiring inspec-*  
2           *tions before purchase of properties with loans insured*  
3           *under such section.*

4           (6) *The extent, if any, to which requiring inspec-*  
5           *tions of properties purchased with loans insured*  
6           *under such section will result in adverse selection of*  
7           *loans insured under such section.*

8           (7) *The extent of homebuyer knowledge regarding*  
9           *property inspections and the extent to which such*  
10          *knowledge affects the decision of homebuyers to opt for*  
11          *or against having a property inspection before pur-*  
12          *chasing a home.*

13          (8) *The impact of the Homebuyer Protection*  
14          *Plan implemented by the Department of Housing and*  
15          *Urban Development on the number of appraisers au-*  
16          *thorized to appraise homes with mortgages insured*  
17          *under section 203 of the National Housing Act.*

18          (9) *The cost to homebuyers incurred as a result*  
19          *of the Homebuyer Protection plan, taking into consid-*  
20          *eration, among other factors, an increase in appraisal*  
21          *fees.*

22          (10) *The benefit or adverse impact of the Home-*  
23          *buyer Protection Plan on minority homebuyers.*

24          (11) *The extent to which the appraisal require-*  
25          *ments of the Homebuyer Protection Plan conflict with*

3        *Not later than the expiration of the 1-year period be-*  
4        *ginning on the date of the enactment of this Act, the Comp-*  
5        *troller General shall submit to the Congress a report con-*  
6        *taining the results of the study and any recommendations*  
7        *with respect to the issues specified under this section.*

8 SEC. 211. REPORT ON TITLE I HOME IMPROVEMENT LOAN  
9 PROGRAM.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress containing recommendations for improvements to the property improvement loan insurance program under title I of the National Housing Act, including improvements designed to address problems relating to home improvement contractors obtaining loans on behalf of homeowners.

(b) *CONSULTATION.*—In developing and determining recommendations for inclusion in the report under this section and in preparing the report, the Secretary shall consult with interested persons, organizations, and entities, including representatives of the lending industry, the home improvement industry, and consumer organizations.

**TITLE III—SECTION 8**  
**HOMEOWNERSHIP OPTION**

**SEC. 301. DOWNPAYMENT ASSISTANCE.**

(a) *AMENDMENTS.*—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

“(7) *DOWNPAYMENT ASSISTANCE.*—

“(A) *AUTHORITY.*—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

“(B) *AMOUNT.*—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made

1           *during the first year of assistance on behalf of*  
 2           *the family, based upon the income of the family*  
 3           *at the time the grant is to be made.”.*

4           ***(b) EFFECTIVE DATE.***—*The amendments made by sub-*  
 5           *section (a) shall take effect immediately after the amend-*  
 6           *ments made by section 555(c) of the Quality Housing and*  
 7           *Work Responsibility Act of 1998 take effect pursuant to*  
 8           *such section.*

9           ***SEC. 302. PILOT PROGRAM FOR HOMEOWNERSHIP ASSIST-***  
 10           ***ANCE FOR DISABLED FAMILIES.***

11           ***(a) IN GENERAL.***—*A public housing agency providing*  
 12           *tenant-based assistance on behalf of an eligible family under*  
 13           *section 8 of the United States Housing Act of 1937 (42*  
 14           *U.S.C. 1437f) may provide assistance for a disabled family*  
 15           *that purchases a dwelling unit (including a dwelling unit*  
 16           *under a lease-purchase agreement) that will be owned by*  
 17           *1 or more members of the disabled family and will be occu-*  
 18           *pied by the disabled family, if the disabled family—*

19                   ***(1)*** *purchases the dwelling unit before the expira-*  
 20                   *tion of the 3-year period beginning on the date that*  
 21                   *the Secretary first implements the pilot program*  
 22                   *under this section;*

23                   ***(2)*** *demonstrates that the disabled family has in-*  
 24                   *come from employment or other sources (including*  
 25                   *public assistance), as determined in accordance with*

1        *requirements of the Secretary, that is not less than*  
2        *twice the payment standard established by the public*  
3        *housing agency (or such other amount as may be es-*  
4        *tablished by the Secretary);*

5            *(3) except as provided by the Secretary, dem-*  
6        *onstrates at the time the disabled family initially re-*  
7        *ceives tenant-based assistance under this section that*  
8        *one or more adult members of the disabled family*  
9        *have achieved employment for the period as the Sec-*  
10       *retary shall require;*

11           *(4) participates in a homeownership and hous-*  
12       *ing counseling program provided by the agency; and*

13           *(5) meets any other initial or continuing re-*  
14       *quirements established by the public housing agency*  
15       *in accordance with requirements established by the*  
16       *Secretary.*

17       *(b) DETERMINATION OF AMOUNT OF ASSISTANCE.—*

18           *(1) IN GENERAL.—*

19                    *(A) MONTHLY EXPENSES NOT EXCEEDING*  
20       *PAYMENT STANDARD.—If the monthly home-*  
21       *ownership expenses, as determined in accordance*  
22       *with requirements established by the Secretary,*  
23       *do not exceed the payment standard, the monthly*  
24       *assistance payment shall be the amount by which*  
25       *the homeownership expenses exceed the highest of*

1        *the following amounts, rounded to the nearest*  
2        *dollar:*

3                *(i) 30 percent of the monthly adjusted*  
4                *income of the disabled family.*

5                *(ii) 10 percent of the monthly income*  
6                *of the disabled family.*

7                *(iii) If the disabled family is receiving*  
8                *payments for welfare assistance from a pub-*  
9                *lic agency, and a portion of those payments,*  
10               *adjusted in accordance with the actual*  
11               *housing costs of the disabled family, is spe-*  
12               *cifically designated by that agency to meet*  
13               *the housing costs of the disabled family, the*  
14               *portion of those payments that is so des-*  
15               *ignated.*

16               *(B) MONTHLY EXPENSES EXCEED PAYMENT*  
17               *STANDARD.—If the monthly homeownership ex-*  
18               *penses, as determined in accordance with re-*  
19               *quirements established by the Secretary, exceed*  
20               *the payment standard, the monthly assistance*  
21               *payment shall be the amount by which the appli-*  
22               *cable payment standard exceeds the highest of the*  
23               *amounts under clauses (i), (ii), and (iii) of sub-*  
24               *paragraph (A).*

25               *(2) CALCULATION OF AMOUNT.—*



1           (A) *LOW-INCOME FAMILIES.*—A disabled  
 2           family that is a low-income family shall be eligi-  
 3           ble to receive 100 percent of the amount cal-  
 4           culated under paragraph (1).

5           (B) *INCOME BETWEEN 81 AND 89 PERCENT*  
 6           *OF MEDIAN.*—A disabled family whose income is  
 7           between 81 and 89 percent of the median for the  
 8           area shall be eligible to receive 66 percent of the  
 9           amount calculated under paragraph (1).

10          (C) *INCOME BETWEEN 90 AND 99 PERCENT*  
 11          *OF MEDIAN.*—A disabled family whose income is  
 12          between 90 and 99 percent of the median for the  
 13          area shall be eligible to receive 33 percent of the  
 14          amount calculated under paragraph (1).

15          (D) *INCOME MORE THAN 99 PERCENT OF*  
 16          *MEDIAN.*—A disabled family whose income is  
 17          more than 99 percent of the median for the area  
 18          shall not be eligible to receive assistance under  
 19          this section.

20          (c) *INSPECTIONS AND CONTRACT CONDITIONS.*—

21               (1) *IN GENERAL.*—Each contract for the pur-  
 22               chase of a dwelling unit to be assisted under this sec-  
 23               tion shall—

1           (A) provide for pre-purchase inspection of  
2           the dwelling unit by an independent profes-  
3           sional; and

4           (B) require that any cost of necessary re-  
5           pairs be paid by the seller.

6           (2) ANNUAL INSPECTIONS NOT REQUIRED.—The  
7           requirement under subsection (o)(8)(A)(ii) of the  
8           United States Housing Act of 1937 for annual inspec-  
9           tions shall not apply to dwelling units assisted under  
10          this section.

11          (d) OTHER AUTHORITY OF THE SECRETARY.—The  
12          Secretary may—

13               (1) limit the term of assistance for a disabled  
14               family assisted under this section;

15               (2) provide assistance for a disabled family for  
16               the entire term of a mortgage for a dwelling unit if  
17               the disabled family remains eligible for such assist-  
18               ance for such term; and

19               (3) modify the requirements of this section as the  
20               Secretary determines to be necessary to make appro-  
21               priate adaptations for lease-purchase agreements.

22          (e) ASSISTANCE PAYMENTS SENT TO LENDER.—The  
23          Secretary shall remit assistance payments under this sec-  
24          tion directly to the mortgagee of the dwelling unit pur-

1 *chased by the disabled family receiving such assistance pay-*  
 2 *ments.*

3 (f) *INAPPLICABILITY OF CERTAIN PROVISIONS.—As-*  
 4 *sistance under this section shall not be subject to the re-*  
 5 *quirements of the following provisions:*

6 (1) *Subsection (c)(3)(B) of section 8 of the*  
 7 *United States Housing Act of 1937.*

8 (2) *Subsection (d)(1)(B)(i) of section 8 of the*  
 9 *United States Housing Act of 1937.*

10 (3) *Any other provisions of section 8 of the*  
 11 *United States Housing Act of 1937 governing max-*  
 12 *imum amounts payable to owners and amounts pay-*  
 13 *able by assisted families.*

14 (4) *Any other provisions of section 8 of the*  
 15 *United States Housing Act of 1937 concerning con-*  
 16 *tracts between public housing agencies and owners.*

17 (5) *Any other provisions of the United States*  
 18 *Housing Act of 1937 that are inconsistent with the*  
 19 *provisions of this section.*

20 (g) *REVERSION TO RENTAL STATUS.—*

21 (1) *NON-FHA MORTGAGES.—If a disabled family*  
 22 *receiving assistance under this section defaults under*  
 23 *a mortgage not insured under the National Housing*  
 24 *Act, the disabled family may not continue to receive*  
 25 *rental assistance under section 8 of the United States*

1       *Housing Act of 1937 unless it complies with require-*  
2       *ments established by the Secretary.*

3           (2) *ALL MORTGAGES.*—*A disabled family receiv-*  
4       *ing assistance under this section that defaults under*  
5       *a mortgage may not receive assistance under this sec-*  
6       *tion for occupancy of another dwelling unit owned by*  
7       *1 or more members of the disabled family.*

8           (3) *EXCEPTION.*—*This subsection shall not apply*  
9       *if the Secretary determines that the disabled family*  
10      *receiving assistance under this section defaulted under*  
11      *a mortgage due to catastrophic medical reasons or*  
12      *due to the impact of a federally declared major dis-*  
13      *aster or emergency.*

14          (h) *REGULATIONS.*—*Not later than 90 days after the*  
15      *date of the enactment of this Act, the Secretary shall issue*  
16      *regulations to implement this section. Such regulations may*  
17      *not prohibit any public housing agency providing tenant-*  
18      *based assistance on behalf of an eligible family under sec-*  
19      *tion 8 of the United States Housing Act of 1937 from par-*  
20      *ticipating in the pilot program under this section.*

21          (i) *DEFINITION OF DISABLED FAMILY.*—*For the pur-*  
22      *poses of this section, the term “disabled family” has the*  
23      *meaning given the term “person with disabilities” in sec-*  
24      *tion 811(k)(2) of the Cranston-Gonzalez National Affordable*  
25      *Housing Act (42 U.S.C. 8013(k)(2)).*

1 **SEC. 303. FUNDING FOR PILOT PROGRAMS.**

2 (a) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*  
3 *authorized to be appropriated \$2,000,000 for fiscal year*  
4 *2001 for assistance in connection with the existing home-*  
5 *ownership pilot programs carried out under the demonstra-*  
6 *tion program authorized under to section 555(b) of the*  
7 *Quality Housing and Work Responsibility Act of 1998*  
8 *(Public Law 105–276; 112 Stat. 2613).*

9 (b) *USE.*—*Subject to subsection (c), amounts made*  
10 *available pursuant to this section shall be used only through*  
11 *such homeownership pilot programs to provide, on behalf*  
12 *of families participating in such programs, amounts for*  
13 *downpayments in connection with dwellings purchased by*  
14 *such families using assistance made available under section*  
15 *8(y) of the United States Housing Act of 1937 (42 U.S.C.*  
16 *1437f(y)). No such downpayment grant may exceed 20 per-*  
17 *cent of the appraised value of the dwelling purchased with*  
18 *assistance under such section 8(y).*

19 (c) *MATCHING REQUIREMENT.*—*The amount of assist-*  
20 *ance made available under this section for any existing*  
21 *homeownership pilot program may not exceed twice the*  
22 *amount donated from sources other than this section for use*  
23 *under the program for assistance described in subsection*  
24 *(b). Amounts donated from other sources may include*  
25 *amounts from State housing finance agencies and Neighbor-*  
26 *hood Housing Services of America.*

1                   **TITLE IV—COMMUNITY**  
 2                   **DEVELOPMENT BLOCK GRANTS**

3   **SEC. 401. REAUTHORIZATION.**

4           (a) *AUTHORIZATION OF APPROPRIATIONS.*—*The last*  
 5 *sentence of section 103 of the Housing and Community De-*  
 6 *velopment Act of 1974 (42 U.S.C. 5303) is amended to read*  
 7 *as follows: “For purposes of assistance under section 106,*  
 8 *there is authorized to be appropriated \$4,900,000,000 for*  
 9 *fiscal year 2001 and such sums as may be necessary for*  
 10 *each of fiscal years 2002, 2003, 2004, and 2005.”.*

11          (b) *ENTITLEMENT GRANTS.*—

12               (1) *IN GENERAL.*—*Section 102(a)(5)(B) of the*  
 13 *Housing and Community Development Act of 1974*  
 14 *(42 U.S.C. 5302(a)(5)(B)) is amended—*

15                       (A) *by inserting “(I)” after “(iii)”;* and

16                       (B) *by inserting before the period at the end*  
 17 *the following: “, or (II) has a population in its*  
 18 *unincorporated areas of not less than 450,000,*  
 19 *except that a town or township which is des-*  
 20 *ignated as a city pursuant to this subclause shall*  
 21 *have only its unincorporated areas considered as*  
 22 *a city for purposes of this title”.*

23               (2) *TREATMENT AS SEPARATE FROM URBAN*  
 24 *COUNTIES.*—*Section 102(d) of the Housing and Com-*

1        *munity Development Act of 1974 (42 U.S.C. 5302(d))*  
 2        *is amended—*

3                    *(A) by inserting “(1)” after “(d)”;* and

4                    *(B) by adding at the end the following new*  
 5        *paragraph:*

6        *“(2) Notwithstanding paragraph (1), a town or town-*  
 7        *ship that is classified as a city by reason of subclause (II)*  
 8        *of section 102(a)(5)(B)(iii) shall be treated, for purposes of*  
 9        *eligibility for a grant under section 106(b)(1) from amounts*  
 10       *made available for a fiscal year beginning after the date*  
 11       *of the enactment of the American Homeownership and Eco-*  
 12       *nomic Opportunity Act of 2000, as an entity separate from*  
 13       *the urban county in which it is located.”.*

14                    *(3) ELIGIBILITY OF CERTAIN URBAN COUN-*  
 15        *TIES.—Section 102(a)(6) of the Housing and Commu-*  
 16        *nity Development Act of 1974 (42 U.S.C. 5302(a)(6))*  
 17        *is amended—*

18                    *(1) in subparagraph (D)—*

19                    *(A) in clause (v), by striking “or” at the*  
 20        *end;*

21                    *(B) in clause (vi), by striking the period at*  
 22        *the end and inserting “; or”;* and

23                    *(C) by adding at the end the following new*  
 24        *clause:*

1           “(vii)(I) has consolidated its government  
2           with one or more municipal governments, such  
3           that within the county boundaries there are no  
4           unincorporated areas, (II) has a population of  
5           not less than 650,000, over which the consoli-  
6           dated government has the authority to undertake  
7           essential community development and housing  
8           assistance activities, (III) for more than 10  
9           years, has been classified as an entitlement area  
10          for purposes of allocating and distributing funds  
11          under section 106, and (IV) as of the date of the  
12          enactment of this clause, has over 90 percent of  
13          the county’s population within the jurisdiction of  
14          the consolidated government.”; and

15          (2) by adding at the end the following new sub-  
16          paragraph:

17               “(F) Notwithstanding any other provision of this  
18               paragraph, any county that was classified as an  
19               urban county pursuant to subparagraph (A) for fiscal  
20               year 1999, includes 10 cities each having a popu-  
21               lation of less than 50,000, and has a population in  
22               its unincorporated areas of 190,000 or more but less  
23               than 200,000, shall thereafter remain classified as an  
24               urban county.”.



1 **SEC. 402. PROHIBITION OF SET-ASIDES.**

2        *Section 103 of the Housing and Community Develop-*  
 3 *ment Act of 1974 (42 U.S.C. 5303), as amended by section*  
 4 *401 of this Act, is further amended—*

5            *(1) by inserting after “SEC. 103.” the following:*

6            *“(a) IN GENERAL.—”; and*

7            *(2) by adding at the end the following new sub-*  
 8 *section:*

9            *“(b) PROHIBITION OF SET-ASIDES.—Except as pro-*  
 10 *vided in paragraphs (1) and (2) of section 106(a) and sec-*  
 11 *tion 107, amounts appropriated pursuant to subsection (a)*  
 12 *of this section or otherwise to carry out this title (other than*  
 13 *section 108) shall be used only for formula-based grants al-*  
 14 *located pursuant to section 106 and may not be otherwise*  
 15 *used unless the provision of law providing for such other*  
 16 *use specifically refers to this subsection and specifically*  
 17 *states that such provision modifies or supersedes the provi-*  
 18 *sions of this subsection.”.*

19 **SEC. 403. PUBLIC SERVICES CAP.**

20        *Section 105(a)(8) of the Housing and Community De-*  
 21 *velopment Act of 1974 (42 U.S.C. 5305(a)(8)) is amended*  
 22 *by striking “fiscal years 1993” and all that follows through*  
 23 *“unit of general local government” and inserting the fol-*  
 24 *lowing: “fiscal years 1993 through 2006 to the City of Los*  
 25 *Angeles, the County of Los Angeles, or any other unit of*  
 26 *general local government located in the County of Los Ange-*

1 *les, such city, such county, or each such unit of general local*  
 2 *government, respectively,”.*

3 **SEC. 404. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

4 (a) *ELIGIBLE ACTIVITIES.*—Section 105(a) of the  
 5 *Housing and Community Development Act of 1974 (42*  
 6 *U.S.C. 5305(a)) is amended—*

7 (1) *in paragraph (22)(C), by striking “and” at*  
 8 *the end;*

9 (2) *in paragraph (23), by striking the period at*  
 10 *the end and inserting a semicolon; and*

11 (3) *by inserting after paragraph (23) the fol-*  
 12 *lowing new paragraph:*

13 “(24) *provision of direct assistance to facilitate*  
 14 *and expand homeownership among uniformed em-*  
 15 *ployees (including policemen, firemen, and sanitation*  
 16 *and other maintenance workers) of, and teachers who*  
 17 *are employees of, the metropolitan city or urban*  
 18 *county (or an agency or school district serving such*  
 19 *city or county) receiving grant amounts under this*  
 20 *title pursuant to section 106(b) or the unit of general*  
 21 *local government (or an agency or school district serv-*  
 22 *ing such unit) receiving such grant amounts pursuant*  
 23 *to section 106(d), except that—*

24 “(A) *such assistance may only be provided*  
 25 *on behalf of such employees who are first-time*

1       homebuyers under the meaning given such term  
2       in section 104(14) of the Cranston-Gonzalez Na-  
3       tional Affordable Housing Act (42 U.S.C.  
4       12704(14)), except that, for purposes of this  
5       paragraph, such section shall be applied by sub-  
6       stituting ‘section 105(a)(24) of the Housing and  
7       Community Development Act of 1974’ for ‘title  
8       II’;

9               “(B) notwithstanding section 102(a)(20)(B)  
10       or any other provision of this title, such assist-  
11       ance may be provided on behalf of such employ-  
12       ees whose family incomes do not exceed—

13               “(i) 115 percent of the median income  
14       of the area involved, as determined by the  
15       Secretary with adjustments for smaller and  
16       larger families; or

17               “(ii) with respect only to areas that the  
18       Secretary determines have high housing  
19       costs, taking into consideration median  
20       house prices and median family incomes for  
21       the area, 150 percent of the median income  
22       of the area involved, as determined by the  
23       Secretary with adjustments for smaller and  
24       larger families;

1           “(C) such assistance shall be used only for  
2           acquiring principal residences for such employ-  
3           ees, in a manner that involves obligating  
4           amounts with respect to any particular mortgage  
5           over a period of one year or less, by—

6                   “(i) providing amounts for  
7                   downpayments on mortgages;

8                   “(ii) paying reasonable closing costs  
9                   normally associated with the purchase of a  
10                  residence;

11                  “(iii) obtaining pre- or post-purchase  
12                  counseling relating to the financial and  
13                  other obligations of homeownership; or

14                  “(iv) subsidizing mortgage interest  
15                  rates; and

16           “(D) any residence purchased using assist-  
17           ance provided under this paragraph shall be sub-  
18           ject to restrictions on resale that are—

19                   “(i) established by the metropolitan  
20                   city, urban county, or unit of general local  
21                   government providing such assistance; and

22                   “(ii) determined by the Secretary to be  
23                   appropriate to comply with subparagraphs  
24                   (A) and (B) of section 215(b)(3) of the  
25                   Cranston-Gonzalez National Affordable

1           *Housing Act (42 U.S.C. 12745(b)(3)), ex-*  
 2           *cept that, for purposes of this paragraph,*  
 3           *such subparagraphs shall be applied by sub-*  
 4           *stituting ‘section 105(a)(24) of the Housing*  
 5           *and Community Development Act of 1974’*  
 6           *for ‘this title’;”.*

7           **(b) PRIMARY OBJECTIVES.**—*Section 105(c) of the*  
 8           *Housing and Community Development Act of 1974 (42*  
 9           *U.S.C. 5305(c)) is amended by adding at the end the fol-*  
 10          *lowing new paragraph:*

11           *“(5) HOMEOWNERSHIP ASSISTANCE FOR MUNICIPAL*  
 12          *EMPLOYEES.—Notwithstanding any other provision of this*  
 13          *title, any assisted activity described in subsection (a)(24)*  
 14          *of this section shall be considered, for purposes of this title,*  
 15          *to benefit persons of low and moderate income and to be*  
 16          *directed toward the objective under section 101(c)(3).”.*

17          **SEC. 405. TECHNICAL AMENDMENT RELATING TO**  
 18          **BROWNFIELDS.**

19           *Section 105(a) of the Housing and Community Devel-*  
 20          *opment Act of 1974 (42 U.S.C. 5305(a)), as amended by*  
 21          *section 404 of this Act, is further amended—*

22           (1) *in paragraph (25), by striking the period*  
 23          *and inserting “; and”; and*

24           (2) *by adding at the end the following new para-*  
 25          *graph:*

1           “(26) *environmental cleanup and economic de-*  
 2           *velopment activities related to Brownfields projects in*  
 3           *conjunction with the appropriate environmental regu-*  
 4           *latory agencies.”.*

5   **SEC. 406. INCOME ELIGIBILITY.**

6           (a) *IN GENERAL.*—*In addition to the exceptions grant-*  
 7           *ed pursuant to section 590 of the Quality Housing and*  
 8           *Work Responsibility Act of 1998 (42 U.S.C. 5301 note), the*  
 9           *Secretary of Housing and Urban Development shall, for not*  
 10          *less than 10 other jurisdictions that are metropolitan cities*  
 11          *or urban counties for purposes of title I of the Housing and*  
 12          *Community Development Act of 1974, grant exceptions not*  
 13          *later than 90 days after the date of the enactment of this*  
 14          *Act for such jurisdictions that provide that—*

15               (1) *for purposes of the HOME investment part-*  
 16               *nerships program under title II of the Cranston-Gon-*  
 17               *zalez National Affordable Housing Act, the limitation*  
 18               *based on percentage of median income that is appli-*  
 19               *cable under section 104(10), 214(1)(A), or*  
 20               *215(a)(1)(A) for any area of the jurisdiction shall be*  
 21               *the numerical percentage that is specified in such sec-*  
 22               *tion; and*

23               (2) *for purposes of the community development*  
 24               *block grant program under title I of the Housing and*  
 25               *Community Development Act of 1974, the limitation*

1       *based on percentage of median income that is appli-*  
 2       *cable pursuant to section 102(a)(20) for any area*  
 3       *within the State or unit of general local government*  
 4       *shall be the numerical percentage that is specified in*  
 5       *subparagraph (A) of such section.*

6       (b) *SELECTION.*—*In selecting the jurisdictions for*  
 7       *which to grant such exceptions, the Secretary shall consider*  
 8       *the relative median income of such jurisdictions and shall*  
 9       *give preference to jurisdictions with the highest housing*  
 10       *costs.*

11       **SEC. 407. HOUSING OPPORTUNITIES FOR PERSONS WITH**  
 12                       **AIDS.**

13       *Section 863 of the Cranston-Gonzalez National Afford-*  
 14       *able Housing Act (42 U.S.C. 12912) is amended to read*  
 15       *as follows:*

16       **“SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

17       *“There is authorized to be appropriated to carry out*  
 18       *this subtitle \$260,000,000 for fiscal year 2001 and such*  
 19       *sums as may be necessary for each of fiscal years 2002,*  
 20       *2003, 2004, and 2005.”.*

1     **TITLE V—HOME INVESTMENT**  
 2     **PARTNERSHIPS PROGRAM**

3     **SEC. 501. REAUTHORIZATION.**

4         (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
 5     205 of the Cranston-Gonzalez National Affordable Housing  
 6     Act (42 U.S.C. 12724) is amended to read as follows:

7     **“SEC. 205. AUTHORIZATION.**

8         “(a) *IN GENERAL.*—There is authorized to be appro-  
 9     priated to carry out this title \$1,650,000,000 for fiscal year  
 10    2001 and such sums as may be necessary for each of fiscal  
 11    years 2002, 2003, 2004, and 2005, of which—

12             “(1) not more than \$25,000,000 in each such fis-  
 13     cal year shall be for community housing partnership  
 14     activities authorized under section 233; and

15             “(2) not more than \$15,000,000 in each such fis-  
 16     cal year shall be for activities in support of State and  
 17     local housing strategies authorized under subtitle C, of  
 18     which, in each of fiscal years 2001 and 2002,  
 19     \$3,000,000 shall be for funding grants under section  
 20     246.

21         “(b) *PROHIBITION OF SET-ASIDES.*—Except as pro-  
 22     vided in subsection (a) of this section and section 217(a)(3),  
 23     amounts appropriated pursuant to subsection (a) of this  
 24     section or otherwise to carry out this title shall be used only  
 25     for formula-based grants allocated pursuant to section 217



1 *and may not be otherwise used unless the provision of law*  
2 *providing for such other use specifically refers to this sub-*  
3 *section and specifically states that such provision modifies*  
4 *or supersedes the provisions of this subsection.”.*

5 (b) *ALLOCATIONS OF AMOUNTS.*—Section 104(19) of  
6 *the Cranston-Gonzalez National Affordable Housing Act (42*  
7 *U.S.C. 12704(19)) is amended by adding at the end the fol-*  
8 *lowing: “The term ‘city’ shall have the meaning given such*  
9 *term in section 102(a)(5)(B) of such Act. A town or town-*  
10 *ship that is classified as a city by reason of subclause (II)*  
11 *of section 102(a)(5)(A)(B)(iii) of such Act shall be treated,*  
12 *notwithstanding section 102(d)(1) of such Act, as an entity*  
13 *separate from the urban county in which it is located for*  
14 *purposes of allocation of amounts under section 217 of this*  
15 *Act to units of general local government from amounts*  
16 *made available for any fiscal year beginning after the date*  
17 *of the enactment of the American Homeownership and Eco-*  
18 *nomic Opportunity Act of 2000.”.*

19 (c) *PILOT PROGRAM FOR DEVELOPING REGIONAL*  
20 *HOUSING STRATEGIES.*—Subtitle C of title II of the Cran-  
21 *ston-Gonzalez National Affordable Housing Act (42 U.S.C.*  
22 *12781 et seq.) is amended by adding at the end the following*  
23 *new section:*

1   **“SEC. 246. PILOT PROGRAM FOR DEVELOPING COMPREHEN-**  
2                   **SIVE REGIONAL HOUSING AFFORDABILITY**  
3                   **STRATEGIES.**

4           “(a) *AUTHORITY.*—*The Secretary may, using any*  
5   *amounts made available for grants under this section, make*  
6   *not more than 3 grants for each of fiscal years 2001 and*  
7   *2002 to consortia of units of general local government de-*  
8   *scribed in subsection (b) for costs of developing and imple-*  
9   *menting comprehensive housing affordability strategies on*  
10   *a regional basis.*

11          “(b) *ELIGIBLE CONSORTIA.*—*A consortium of units of*  
12   *general local government described in this subsection is a*  
13   *consortium that—*

14                  “(1) *is eligible under section 216(2) to be deemed*  
15   *a unit of general local government for purposes of this*  
16   *title; and*

17                  “(2) *consists of multiple units of general local*  
18   *government; and*

19                  “(3) *contains only units of general local govern-*  
20   *ment that are geographically contiguous.*

21          “(c) *MULTI-STATE REQUIREMENT.*—*In each fiscal*  
22   *year in which grants are made under this section, not less*  
23   *than one of the consortia that receives a grant shall be a*  
24   *consortium described in subsection (b) that includes units*  
25   *of general local government from 2 or more States.”.*

1 **SEC. 502. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES**  
 2 **AND MUTUAL HOUSING ASSOCIATIONS.**

3 (a) *CONGRESSIONAL FINDINGS.*—Section 202(10) of  
 4 the Cranston-Gonzalez National Affordable Housing Act (42  
 5 U.S.C. 12721(10)) is amended by inserting “mutual hous-  
 6 ing associations,” after “limited equity cooperatives,”.

7 (b) *DEFINITIONS.*—Section 104 of the Cranston-Gon-  
 8 zalez National Affordable Housing Act (42 U.S.C. 12704)  
 9 is amended—

10 (1) by redesignating paragraph (23) as para-  
 11 graph (22);

12 (2) by redesignating paragraph (24) (relating to  
 13 the definition of “insular area”) as paragraph (23);  
 14 and

15 (3) by adding at the end the following new para-  
 16 graphs:

17 “(26) The term ‘limited equity cooperative’  
 18 means a cooperative housing corporation which, in a  
 19 manner determined by the Secretary to be acceptable,  
 20 restricts income eligibility of purchasers of member-  
 21 ship shares of stock in the cooperative corporation or  
 22 the initial and resale price of such shares, or both, so  
 23 that the shares remain available and affordable to  
 24 low-income families.

25 “(27) The term ‘mutual housing association’  
 26 means a private entity that—

1                   “(A) is organized under State law;

2                   “(B) is described in section 501(c) of the In-  
3                   ternal Revenue Code of 1986 and exempt from  
4                   taxation under section 501(a) of such Code;

5                   “(C) owns, manages, and continuously de-  
6                   velops affordable housing by providing long-term  
7                   housing for low- and moderate-income families;

8                   “(D) provides that eligible families who  
9                   purchase membership interests in the association  
10                  shall have a right to residence in a dwelling unit  
11                  in the housing during the period that they hold  
12                  such membership interest; and

13                  “(E) provides for the residents of such hous-  
14                  ing to participate in the ongoing management of  
15                  the housing.”.

16                  (c) *ELIGIBILITY.*—Section 215 of the Cranston-Gon-  
17                  zalez National Affordable Housing Act (42 U.S.C. 12745)  
18                  is amended—

19                         (1) in subsection (b), by adding after and below  
20                         paragraph (4) the following:

21                         “Housing that is owned by a limited equity cooperative or  
22                         a mutual housing association may be considered by a par-  
23                         ticipating jurisdiction to be housing for homeownership for  
24                         purposes of this title to the extent that ownership or mem-

1 *bership in such a cooperative or association, respectively,*  
 2 *constitutes homeownership under State or local laws.”; and*

3 *(2) in subsection (a), by adding at the end the*  
 4 *following new paragraph:*

5 *“(6) LIMITED EQUITY COOPERATIVES AND MU-*  
 6 *TUAL HOUSING ASSOCIATIONS.—Housing that is*  
 7 *owned by a limited equity cooperative or a mutual*  
 8 *housing association may be considered by a partici-*  
 9 *pating jurisdiction to be rental housing for purposes*  
 10 *of this title to the extent that ownership or member-*  
 11 *ship in such a cooperative or association, respectively,*  
 12 *constitutes rental of a dwelling under State or local*  
 13 *laws.”.*

14 **SEC. 503. ADMINISTRATIVE COSTS.**

15 *Section 212(c) of the Cranston-Gonzalez National Af-*  
 16 *fordable Housing Act (42 U.S.C. 12742(c)) is amended by*  
 17 *adding at the end the following new sentence: “A partici-*  
 18 *pating jurisdiction may use amounts made available under*  
 19 *this subsection for a fiscal year for administrative and*  
 20 *planning costs by amortizing the costs of administration*  
 21 *and planning activities under this subtitle over the entire*  
 22 *duration of such activities.”.*

1 **SEC. 504. LEVERAGING AFFORDABLE HOUSING INVEST-**  
 2 **MENT THROUGH LOCAL LOAN POOLS.**

3 (a) *ELIGIBLE INVESTMENTS.*—Section 212(b) of the  
 4 *Cranston-Gonzalez National Affordable Housing Act* (42  
 5 *U.S.C. 12742(b)*) is amended by inserting after “interest  
 6 *subsidies*” the following: “, advances to provide reserves for  
 7 *loan pools or to provide partial loan guarantees,*”.

8 (b) *TIMELY INVESTMENT OF TRUST FUNDS.*—Section  
 9 218(e) of the *Cranston-Gonzalez National Affordable Hous-*  
 10 *ing Act* (42 *U.S.C. 12748*) is amended to read as follows:

11 “(e) *INVESTMENT WITHIN 15 DAYS.*—

12 “(1) *IN GENERAL.*—The participating jurisdic-  
 13 *tion shall, not later than 15 days after funds are*  
 14 *drawn from the jurisdiction’s HOME Investment*  
 15 *Trust Fund, invest such funds, together with any in-*  
 16 *terest earned thereon, in the affordable housing for*  
 17 *which the funds were withdrawn.*

18 “(2) *LOAN POOLS.*—In the case of a partici-  
 19 *pating jurisdiction that withdraws Trust Fund*  
 20 *amounts for investment in the form of an advance for*  
 21 *reserves or partial loan guarantees under a program*  
 22 *providing such credit enhancement for loans for af-*  
 23 *fordable housing, the amounts shall be considered to*  
 24 *be invested for purposes of paragraph (1) upon the*  
 25 *completion of both of the following actions:*

1           “(A) Control of the amounts is transferred  
2           to the program.

3           “(B) The jurisdiction and the entity oper-  
4           ating the program enter into a written agree-  
5           ment that—

6                   “(i) provides that such funds may be  
7                   used only in connection with such program;

8                   “(ii) defines the terms and conditions  
9                   of the loan pool reserve or partial loan  
10                  guarantees; and

11                  “(iii) provides that such entity shall  
12                  ensure that amounts from non-Federal  
13                  sources have been contributed, or are com-  
14                  mitted for contribution, to the pool avail-  
15                  able for loans for affordable housing that  
16                  will be backed by such reserves or loan  
17                  guarantees in an amount equal to 10 times  
18                  the amount invested from Trust Fund  
19                  amounts.”.

20           (c) *EXPIRATION OF RIGHT TO WITHDRAW FUNDS.*—  
21           Section 218(g) of the Cranston-Gonzalez National Afford-  
22           able Housing Act (42 U.S.C. 12748(g)) is amended to read  
23           as follows:

24           “(g) *EXPIRATION OF RIGHT TO DRAW FUNDS.*—

1           “(1) *IN GENERAL.*—If any funds becoming avail-  
 2           able to a participating jurisdiction under this title  
 3           are not placed under binding commitment to afford-  
 4           able housing within 24 months after the last day of  
 5           the month in which such funds are deposited in the  
 6           jurisdiction’s HOME Investment Trust Fund, the ju-  
 7           risdiction’s right to draw such funds from the HOME  
 8           Investment Trust Fund shall expire. The Secretary  
 9           shall reduce the line of credit in the participating ju-  
 10          risdiction’s HOME Investment Trust Fund by the ex-  
 11          piring amount and shall reallocate the funds by for-  
 12          mula in accordance with section 217(d).

13           “(2) *LOAN POOLS.*—In the case of a partici-  
 14          pating jurisdiction that withdraws Trust Fund  
 15          amounts for investment in the manner provided  
 16          under subsection (e)(2), the amounts shall be consid-  
 17          ered to be placed under binding commitment to af-  
 18          fordable housing for purposes of paragraph (1) of this  
 19          subsection at the time that the amounts are obligated  
 20          for use under, and are subject to, a written agreement  
 21          described in subsection (e)(2)(B).”.

22          (d) *TREATMENT OF MIXED INCOME LOAN POOLS AS*  
 23          *AFFORDABLE HOUSING.*—

24           (1) *IN GENERAL.*—Section 215 of the Cranston-  
 25          Gonzalez National Affordable Housing Act (42 U.S.C.



1       12745) is amended by adding at the end the following  
 2       new subsection:

3       “(c) *LOAN POOLS.*—Notwithstanding subsections (a)  
 4       and (b), housing financed using amounts invested as pro-  
 5       vided in section 218(e)(2) shall qualify as affordable hous-  
 6       ing only if the housing complies with the following require-  
 7       ments:

8               “(1) *In the case of housing that is for*  
 9       *homeownership—*

10               “(A) *of the units financed with amounts so*  
 11       *invested—*

12               “(i) *not less than 75 percent are prin-*  
 13       *cipal residences of owners whose families*  
 14       *qualify as low-income families—*

15               “(I) *in the case of a contract to*  
 16       *purchase existing housing, at the time*  
 17       *of purchase;*

18               “(II) *in the case of a lease-pur-*  
 19       *chase agreement for existing housing or*  
 20       *for housing to be constructed, at the*  
 21       *time the agreement is signed; or*

22               “(III) *in the case of a contract to*  
 23       *purchase housing to be constructed, at*  
 24       *the time the contract is signed;*

1           “(ii) all are principal residences of  
2           owners whose families qualify as moderate-  
3           income families—

4                   “(I) in the case of a contract to  
5                   purchase existing housing, at the time  
6                   of purchase;

7                   “(II) in the case of a lease-pur-  
8                   chase agreement for existing housing or  
9                   for housing to be constructed, at the  
10                  time the agreement is signed; or

11                  “(III) in the case of a contract to  
12                  purchase housing to be constructed, at  
13                  the time the contract is signed; and

14                  “(iii) all comply with paragraphs (3)  
15                  and (4) of subsection (b), except that para-  
16                  graph (3) shall be applied for purposes of  
17                  this clause by substituting ‘subsection  
18                  (c)(2)(B)’ and ‘low- and moderate-income  
19                  homebuyers’ for ‘paragraph (2)’ and ‘low-  
20                  income homebuyers’, respectively; and

21                  “(B) units made available for purchase only  
22                  by families who qualify as low-income families  
23                  shall have an initial purchase price that com-  
24                  plies with the requirements of subsection (b)(1).

1           “(2) *In the case of housing that is for rental, the*  
 2       *housing—*

3                   “(A) *complies with subparagraphs (D)*  
 4       *through (F) of subsection (a)(1);*

5                   “(B)(i) *has not less than 75 percent of the*  
 6       *units occupied by households that qualify as low-*  
 7       *income families and is occupied only by house-*  
 8       *holds that qualify as moderate-income families;*  
 9       *or*

10                  “(ii) *temporarily fails to comply with*  
 11       *clause (i) only because of increases in the in-*  
 12       *comes of existing tenants and actions satisfactory*  
 13       *to the Secretary are being taken to ensure that*  
 14       *all vacancies in the housing are being filled in*  
 15       *accordance with clause (i) until such noncompli-*  
 16       *ance is corrected; and*

17                  “(C) *bears rents, in the case of units made*  
 18       *available for occupancy only by households that*  
 19       *qualify as low-income families, that comply with*  
 20       *the requirements of subsection (a)(1)(A).*

21       *Paragraphs (4) and (5) of subsection (a) shall apply*  
 22       *to housing that is subject to this subsection.”.*

23                  (2) *DEFINITION.—Section 104 of the Cranston-*  
 24       *Gonzalez National Affordable Housing Act (42 U.S.C.*  
 25       *12704), as amended by section 502 of this Act, is fur-*

1        *ther amended by adding at the end the following new*  
 2        *paragraph:*

3                *“(28) The term ‘moderate income families’*  
 4        *means families whose incomes do not exceed the me-*  
 5        *edian income for the area, as determined by the Sec-*  
 6        *retary with adjustments for smaller and larger fami-*  
 7        *lies, except that the Secretary may establish income*  
 8        *ceilings higher or lower than the median income for*  
 9        *the area on the basis of the Secretary’s findings that*  
 10       *such variations are necessary because of prevailing*  
 11       *levels of construction costs or fair market rents, or un-*  
 12       *usually high or low family incomes.”.*

13    **SEC. 505. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

14        *(a) ELIGIBLE ACTIVITIES.—Paragraph (2) of section*  
 15       *215(b) of the Cranston-Gonzalez National Affordable Hous-*  
 16       *ing Act (42 U.S.C. 12745(b)(2)) is amended to read as fol-*  
 17       *lows:*

18                *“(2) is the principal residence of an owner*  
 19        *who—*

20                *“(A) is a member of a family that qualifies*  
 21        *as a low-income family—*

22                *“(i) in the case of a contract to pur-*  
 23        *chase existing housing, at the time of pur-*  
 24        *chase;*

1                   “(ii) in the case of a lease-purchase  
2                   agreement for existing housing or for hous-  
3                   ing to be constructed, at the time the agree-  
4                   ment is signed; or

5                   “(iii) in the case of a contract to pur-  
6                   chase housing to be constructed, at the time  
7                   the contract is signed; or

8                   “(B)(i) is a uniformed employee (which  
9                   shall include policemen, firemen, and sanitation  
10                  and other maintenance workers) or a teacher  
11                  who is an employee, of the participating juris-  
12                  diction (or an agency or school district serving  
13                  such jurisdiction) that is investing funds made  
14                  available under this subtitle to support home-  
15                  ownership of the residence; and

16                  “(ii) is a member of a family whose income,  
17                  at the time referred to in clause (i), (ii), or (iii)  
18                  of subparagraph (A), as appropriate, and as de-  
19                  termined by the Secretary with adjustments for  
20                  smaller and larger families, does not exceed 115  
21                  percent of the median income of the area, except  
22                  that, with respect only to such areas that the  
23                  Secretary determines have high housing costs,  
24                  taking into consideration median house prices  
25                  and median family incomes for the area, such

1           *income limitation shall be 150 percent of the me-*  
2           *dian income of the area, as determined by the*  
3           *Secretary with adjustments for smaller and larg-*  
4           *er families;”.*

5           **(b) INCOME TARGETING.**—Section 214(2) of the Cran-  
6           ston-Gonzalez National Affordable Housing Act (42 U.S.C.  
7           12744(2)) is amended by inserting before the semicolon the  
8           following: “or families described in section 215(b)(2)(B)”.

9           **(c) ELIGIBLE INVESTMENTS.**—Section 212(b) of the  
10          Cranston-Gonzalez National Affordable Housing Act (42  
11          U.S.C. 12742(b)) is amended by adding at the end the fol-  
12          lowing new sentence: “Notwithstanding the preceding sen-  
13          tence, in the case of homeownership assistance for residences  
14          of owners described in section 215(b)(2)(B), funds made  
15          available under this subtitle may only be invested (A) to  
16          provide amounts for downpayments on mortgages, (B) to  
17          pay reasonable closing costs normally associated with the  
18          purchase of a residence, (C) to obtain pre- or post-purchase  
19          counseling relating to the financial and other obligations  
20          of homeownership, or (D) to subsidize mortgage interest  
21          rates.”.

1 **SEC. 506. USE OF SECTION 8 ASSISTANCE BY “GRAND-FAMI-**  
 2 **LIES” TO RENT DWELLING UNITS IN AS-**  
 3 **SISTED PROJECTS.**

4 *Section 215(a) of the Cranston-Gonzalez National Af-*  
 5 *fordable Housing Act (42 U.S.C. 12745(a)), as amended by*  
 6 *the preceding provisions of this Act, is further amended by*  
 7 *adding at the end the following new paragraph:*

8 “(7) **WAIVER OF QUALIFYING RENT.**—

9 “(A) **IN GENERAL.**—*For the purpose of pro-*  
 10 *viding affordable housing appropriate for fami-*  
 11 *lies described in subparagraph (B), the Secretary*  
 12 *may, upon the application of the project owner,*  
 13 *waive the applicability of subparagraph (A) of*  
 14 *paragraph (1) with respect to a dwelling unit*  
 15 *if—*

16 “(i) *the unit is occupied by such a*  
 17 *family, on whose behalf tenant-based assist-*  
 18 *ance is provided under section 8 of the*  
 19 *United States Housing Act of 1937 (42*  
 20 *U.S.C. 1437f);*

21 “(ii) *the rent for the unit is not greater*  
 22 *than the existing fair market rent for com-*  
 23 *parable units in the area, as established by*  
 24 *the Secretary under section 8 of the United*  
 25 *States Housing Act of 1937; and*

1                   “(iii) the Secretary determines that the  
 2                   waiver, together with waivers under this  
 3                   paragraph for other dwelling units in the  
 4                   project, will result in the use of amounts de-  
 5                   scribed in clause (iii) in an effective man-  
 6                   ner that will improve the provision of af-  
 7                   fordable housing for such families.

8                   “(B) *ELIGIBLE FAMILIES*.—A family de-  
 9                   scribed in this subparagraph is a family that  
 10                  consists of at least one elderly person (who is the  
 11                  head of household) and one or more of such per-  
 12                  son’s grand children, great grandchildren, great  
 13                  nieces, great nephews, or great great grand-  
 14                  children (as defined by the Secretary), but does  
 15                  not include any parent of such grandchildren,  
 16                  great grandchildren, great nieces, great nephews,  
 17                  or great great grandchildren. Such term includes  
 18                  any such grandchildren, great grandchildren,  
 19                  great nieces, great nephews, or great great grand-  
 20                  children who have been legally adopted by such  
 21                  elderly person.”.

22 **SEC. 507. LOAN GUARANTEES.**

23                  *Subtitle A of title II of the Cranston-Gonzalez National*  
 24                  *Affordable Housing Act (42 U.S.C. 12741 et seq.) is amend-*  
 25                  *ed by adding at the end the following new section:*



1 **“SEC. 227. LOAN GUARANTEES.**

2       “(a) *AUTHORITY.*—*The Secretary may, upon such*  
3 *terms and conditions as the Secretary may prescribe, guar-*  
4 *antee and make commitments to guarantee, only to such*  
5 *extent or in such amounts as provided in appropriations*  
6 *Acts, the notes or other obligations issued by eligible partici-*  
7 *pating jurisdictions or by public agencies designated by and*  
8 *acting on behalf of eligible participating jurisdictions for*  
9 *purposes of financing (including credit enhancements and*  
10 *debt service reserves) the acquisition, new construction, re-*  
11 *construction, or moderate or substantial rehabilitation of*  
12 *affordable housing (including real property acquisition, site*  
13 *improvement, conversion, and demolition), and other re-*  
14 *lated expenses (including financing costs and relocation ex-*  
15 *penses of any displaced persons, families, businesses, or or-*  
16 *ganizations). Housing funded under this section shall meet*  
17 *the requirements of this subtitle.*

18       “(b) *REQUIREMENTS.*—*Notes or other obligations*  
19 *guaranteed under this section shall be in such form and*  
20 *denominations, have such maturities, and be subject to such*  
21 *conditions as may be prescribed by the Secretary. The Sec-*  
22 *retary may not deny a guarantee under this section on the*  
23 *basis of the proposed repayment period for the note or other*  
24 *obligation, unless the period is more than 20 years or the*  
25 *Secretary determines that the period otherwise causes the*  
26 *guarantee to constitute an unacceptable financial risk.*

1       “(c) *LIMITATION ON TOTAL NOTES AND OBLIGA-*  
2   *TIONS.—The Secretary may not guarantee or make a com-*  
3   *mitment to guarantee any note or other obligation if the*  
4   *total outstanding notes or obligations guaranteed under this*  
5   *section on behalf of the participating jurisdiction issuing*  
6   *the note or obligation (excluding any amount defeased*  
7   *under a contract entered into under subsection (e)(1))*  
8   *would thereby exceed an amount equal to 5 times the*  
9   *amount of the participating jurisdiction’s latest allocation*  
10   *under section 217.*

11       “(d) *USE OF PROGRAM FUNDS.—Notwithstanding any*  
12   *other provision of this subtitle, funds allocated to the par-*  
13   *ticipating jurisdiction under this subtitle (including pro-*  
14   *gram income derived therefrom) are authorized for use in*  
15   *the payment of principal and interest due on the notes or*  
16   *other obligations guaranteed pursuant to this section and*  
17   *the payment of such servicing, underwriting, or other*  
18   *issuance or collection charges as may be specified by the*  
19   *Secretary.*

20       “(e) *SECURITY.—To assure the full repayment of notes*  
21   *or other obligations guaranteed under this section, and pay-*  
22   *ment of the issuance or collection charges specified by the*  
23   *Secretary under subsection (d), and as a prior condition*  
24   *for receiving such guarantees, the Secretary shall require*

1 *the participating jurisdiction (and its designated public*  
 2 *agency issuer, if any) to—*

3 *“(1) enter into a contract, in a form acceptable*  
 4 *to the Secretary, for repayment of such notes or other*  
 5 *obligations and the other specified charges;*

6 *“(2) pledge as security for such repayment any*  
 7 *allocation for which the participating jurisdiction*  
 8 *may become eligible under this subtitle; and*

9 *“(3) furnish, at the discretion of the Secretary,*  
 10 *such other security as may be deemed appropriate by*  
 11 *the Secretary in making such guarantees, which may*  
 12 *include increments in local tax receipts generated by*  
 13 *the housing assisted under this section or disposition*  
 14 *proceeds from the sale of land or housing.*

15 *“(f) REPAYMENT AUTHORITY.—The Secretary may,*  
 16 *notwithstanding any other provision of this subtitle or any*  
 17 *other Federal, State, or local law, apply allocations pledged*  
 18 *pursuant to subsection (e) to any repayments due the*  
 19 *United States as a result of such guarantees.*

20 *“(g) FULL FAITH AND CREDIT.—The full faith and*  
 21 *credit of the United States is pledged to the payment of*  
 22 *all guarantees made under this section. Any such guarantee*  
 23 *made by the Secretary shall be conclusive evidence of the*  
 24 *eligibility of the notes or other obligations for such guar-*  
 25 *antee with respect to principal and interest, and the valid-*

1 *ity of any such guarantee so made shall be incontestable*  
 2 *in the hands of a holder of the guaranteed obligations.*

3       “(h) *TAX STATUS.*—*With respect to any obligation*  
 4 *guaranteed pursuant to this section, the guarantee and the*  
 5 *obligation shall be designed in a manner such that the in-*  
 6 *terest paid on such obligation shall be included in gross in-*  
 7 *come for purposes of the Internal Revenue Code of 1986.*

8       “(i) *MONITORING.*—*The Secretary shall monitor the*  
 9 *use of guarantees under this section by eligible partici-*  
 10 *pating jurisdictions. If the Secretary finds that 50 percent*  
 11 *of the aggregate guarantee authority for any fiscal year has*  
 12 *been committed, the Secretary may impose limitations on*  
 13 *the amount of guarantees any 1 participating jurisdiction*  
 14 *may receive during that fiscal year.*

15       “(j) *GUARANTEE OF TRUST CERTIFICATES.*—

16               “(1) *AUTHORITY.*—*The Secretary may, upon*  
 17 *such terms and conditions as the Secretary deems ap-*  
 18 *propriate, guarantee the timely payment of the prin-*  
 19 *cipal of and interest on such trust certificates or other*  
 20 *obligations as may—*

21                       “(A) *be offered by the Secretary or by any*  
 22 *other offeror approved for purposes of this sub-*  
 23 *section by the Secretary; and*

24                       “(B) *be based on and backed by a trust or*  
 25 *pool composed of notes or other obligations guar-*

1           anted or eligible for guarantee by the Secretary  
2           under this section.

3           “(2) *FULL FAITH AND CREDIT.*—To the same ex-  
4           tent as provided in subsection (g), the full faith and  
5           credit of the United States is pledged to the payment  
6           of all amounts which may be required to be paid  
7           under any guarantee by the Secretary under this sub-  
8           section.

9           “(3) *SUBROGATION.*—In the event the Secretary  
10          pays a claim under a guarantee issued under this sec-  
11          tion, the Secretary shall be subrogated fully to the  
12          rights satisfied by such payment.

13          “(4) *OTHER POWERS AND RIGHTS.*—No State or  
14          local law, and no Federal law, shall preclude or limit  
15          the exercise by the Secretary of—

16               “(A) the power to contract with respect to  
17               public offerings and other sales of notes, trust  
18               certificates, and other obligations guaranteed  
19               under this section, upon such terms and condi-  
20               tions as the Secretary deems appropriate;

21               “(B) the right to enforce, by any means  
22               deemed appropriate by the Secretary, any such  
23               contract; and

24               “(C) the Secretary’s ownership rights, as  
25               applicable, in notes, certificates or other obliga-

1            *tions guaranteed under this section, or consti-*  
 2            *tuting the trust or pool against which trust cer-*  
 3            *tificates or other obligations guaranteed under*  
 4            *this section are offered.*

5            “(k) *AGGREGATE LIMITATION.*—*The total amount of*  
 6            *outstanding obligations guaranteed on a cumulative basis*  
 7            *by the Secretary under this section shall not at any time*  
 8            *exceed \$2,000,000,000.”.*

9            **SEC. 508. DOWNPAYMENT ASSISTANCE FOR 2- AND 3-FAMILY**  
 10            **RESIDENCES.**

11            (a) *AUTHORITY.*—*The Secretary of Housing and*  
 12            *Urban Development shall carry out a pilot program under*  
 13            *this section under which covered jurisdictions may use*  
 14            *amounts described in subsection (b) to make loans to eligible*  
 15            *homebuyers for use as downpayments on 2- and 3-family*  
 16            *residences.*

17            (b) *COVERED ASSISTANCE.*—*Notwithstanding section*  
 18            *105 of the Housing and Community Development Act of*  
 19            *1974 (42 U.S.C. 5305) and section 212 of the Cranston-*  
 20            *Gonzalez National Affordable Housing Act (42 U.S.C.*  
 21            *12742), a covered jurisdiction may use amounts provided*  
 22            *to the jurisdiction pursuant to section 106(b) of the Housing*  
 23            *and Community Development Act of 1974 (42 U.S.C.*  
 24            *5406(b)) and amounts in the HOME Investment Trust*  
 25            *Fund for the jurisdiction for downpayment loans meeting*

1 *the requirements of subsection (d) to homebuyers meeting*  
2 *the requirements of subsection (c), but only to the extent*  
3 *such jurisdictions agree to comply with the requirements*  
4 *of this section, as the Secretary may require.*

5 *(c) ELIGIBLE HOMEBUYERS.—A homebuyer meets the*  
6 *requirements of this subsection only if the homebuyer is an*  
7 *individual or family—*

8 *(1) whose income does not exceed 80 percent of*  
9 *the median family income for the area within which*  
10 *the residence to be purchased with the downpayment*  
11 *loan under subsection (d) is located; except that the*  
12 *Secretary may, pursuant to a request by a covered ju-*  
13 *risdiction demonstrating that the jurisdiction has*  
14 *high housing costs (taking into consideration median*  
15 *home prices and median family incomes for the area),*  
16 *increase the percentage limitation under this para-*  
17 *graph to not more than 110 percent of the median*  
18 *family income for the area;*

19 *(2) who has successfully completed a program re-*  
20 *garding the responsibilities and financial manage-*  
21 *ment involved in homeownership and ownership of*  
22 *rental property that is approved by the Secretary;*

23 *(3) has a satisfactory credit history and record*  
24 *as a tenant of rental housing; and*

1           (4) *who, if such individual or family has an in-*  
 2           *come that exceeds 80 percent of the median income for*  
 3           *the area, enters into a binding agreement to comply*  
 4           *with the requirements under subsection (e) (relating*  
 5           *to affordability of other dwelling units in the resi-*  
 6           *dence).*

7           (d) *NO-INTEREST DOWNPAYMENT LOANS.—A loan*  
 8           *meets the requirements of this subsection only if—*

9           (1) *the principal obligation of the loan—*

10           (A) *may be used only for a downpayment*  
 11           *for acquisition of a 2- or 3-family residence and*  
 12           *for closing costs and other costs payable at the*  
 13           *time of closing, as the Secretary shall provide;*  
 14           *and*

15           (B) *does not exceed the amount that is equal*  
 16           *to the sum of (i) 7 percent of the purchase price*  
 17           *of the residence, and (ii) such closing and other*  
 18           *costs;*

19           (2) *the borrower under the loan is paying, for*  
 20           *acquisition of the residence, at least 3 percent of the*  
 21           *cost of acquisition of the residence in cash or its*  
 22           *equivalent;*

23           (3) *the borrower under the loan will occupy a*  
 24           *dwelling unit in the residence purchased using the*  
 25           *loan as the principal residence of the borrower;*



1           (4) *the loan terms—*

2                   (A) *do not require the borrower to be pre-*  
3                   *qualified for a loan that finances the remainder*  
4                   *of the purchase price of a residence described in*  
5                   *paragraph (1)(A); and*

6                   (B) *provide that the proceeds of the loan are*  
7                   *available for use (as provided in paragraph (1))*  
8                   *only during the 4-month period beginning upon*  
9                   *the making of the loan to the borrower and that*  
10                  *such proceeds shall revert to the covered jurisdic-*  
11                  *tion upon the conclusion of such period if the*  
12                  *borrower has not entered into a contract for pur-*  
13                  *chase of a residence meeting the requirements of*  
14                  *such paragraph before such conclusion, except*  
15                  *that the Secretary shall provide that covered ju-*  
16                  *risdictions may extend such 4-month period*  
17                  *under such circumstances as the Secretary shall*  
18                  *prescribe;*

19               (5) *the loan terms provide for repayment of the*  
20               *principal obligation of the loan, without interest, at*  
21               *such time as the covered jurisdiction may provide, ex-*  
22               *cept that the principal obligation shall be imme-*  
23               *diately repayable at the time that the borrower—*

24                   (A) *transfers or sells the borrower's owner-*  
25                   *ship interest in such residence or ceases to use*

1           *the residence purchased with the loan proceeds as*  
 2           *his or her principal residence; or*

3           *(B) obtains a subsequent loan secured by*  
 4           *such residence or any equity of the borrower in*  
 5           *such residence, the proceeds of which are not used*  
 6           *to prepay or pay off the entire balance due on*  
 7           *the existing loan secured by such residence; or*

8           *(6) the loan terms provide that, upon sale of the*  
 9           *residence purchased with the proceeds of the loan, the*  
 10          *borrower shall repay to the covered jurisdiction (to-*  
 11          *gether with the principal obligation of the loan repay-*  
 12          *able pursuant to paragraph (5)(A)) an additional*  
 13          *amount that bears the same ratio to any increase in*  
 14          *the price of the residence upon such sale (compared*  
 15          *to the price paid for the residence upon purchase*  
 16          *using such loan) as the amount of the loan bears to*  
 17          *the purchase price paid for the residence in the pur-*  
 18          *chase using such loan; and*

19          *(7) the loan complies with such other require-*  
 20          *ments as the Secretary may prescribe.*

21          *(e) AFFORDABILITY OF RENTAL UNITS.—Any dwelling*  
 22          *units in the residence purchased using a loan provided pur-*  
 23          *suant to the authority under this section to a borrower de-*  
 24          *scribed in subsection (c)(4) of this section shall be used only*  
 25          *as rental dwelling units and shall be made available for*

1 *rental only at a monthly rental price that does not exceed*  
 2 *the fair market rent under section 8(c)(2)(A) of the United*  
 3 *States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as*  
 4 *periodically adjusted, for a unit of the applicable size lo-*  
 5 *cated in the area in which the residence is located. Compli-*  
 6 *ance with this subsection shall be monitored and enforced*  
 7 *by the covered jurisdiction providing the amounts for the*  
 8 *downpayment loan under this section for the purchase of*  
 9 *such residence.*

10 (f) *DEFINITIONS.—For purposes of this section, the fol-*  
 11 *lowing definitions shall apply:*

12 (1) *COVERED JURISDICTION.—The term “covered*  
 13 *jurisdiction” means, with respect to a fiscal year—*

14 (A) *a metropolitan city or urban county*  
 15 *that receives a grant for such fiscal year pursu-*  
 16 *ant to section 106(b) of the Housing and Com-*  
 17 *munity Development Act of 1974 (42 U.S.C.*  
 18 *5306(b)); or*

19 (B) *a jurisdiction that is a participating*  
 20 *jurisdiction for such fiscal year for purposes of*  
 21 *the HOME Investment Partnerships Act (42*  
 22 *U.S.C. 12721 et seq.).*

23 (2) *SECRETARY.—The term “Secretary” means*  
 24 *the Secretary of Housing and Urban Development.*

1                   **TITLE VI—LOCAL**  
2                   **HOMEOWNERSHIP INITIATIVES**

3   **SEC. 601. REAUTHORIZATION OF NEIGHBORHOOD REIN-**  
4                   **VESTMENT CORPORATION.**

5           *Section 608(a)(1) of the Neighborhood Reinvestment*  
6   *Corporation Act (42 U.S.C. 8107(a)(1)) is amended by*  
7   *striking the first sentence and inserting the following:*  
8   *“There is authorized to be appropriated to the corporation*  
9   *to carry out this title \$95,000,000 for fiscal year 2001 and*  
10   *such sums as may be necessary for each of fiscal years 2002*  
11   *through 2005. Of the amounts appropriated to the corpora-*  
12   *tion for fiscal year 2001, \$5,000,000 shall be available only*  
13   *for the corporation to provide assistance under duplex*  
14   *homeownership programs established before the date of the*  
15   *enactment of the American Homeownership and Economic*  
16   *Opportunity Act of 2000 through Neighborworks Home-*  
17   *ownership Center pilot projects established before such date*  
18   *of enactment.”.*

19   **SEC. 602. HOMEOWNERSHIP ZONES.**

20           *Section 186 of the Housing and Community Develop-*  
21   *ment Act of 1992 (42 U.S.C. 12898a) is amended to read*  
22   *as follows:*

23   **“SEC. 186. HOMEOWNERSHIP ZONE GRANTS.**

24           **“(a) AUTHORITY.—***The Secretary of Housing and*  
25   *Urban Development may make grants to units of general*

1 *local government to assist homeownership zones. Home-*  
2 *ownership zones are contiguous, geographically defined*  
3 *areas, primarily residential in nature, in which large-scale*  
4 *development projects are designed to reclaim distressed*  
5 *neighborhoods by creating homeownership opportunities for*  
6 *low- and moderate-income families. Projects in homeowner-*  
7 *ship zones are intended to serve as a catalyst for private*  
8 *investment, business creation, and neighborhood revitaliza-*  
9 *tion.*

10       “(b) *ELIGIBLE ACTIVITIES.*—Amounts made available  
11 *under this section may be used for projects that include any*  
12 *of the following activities in the homeownership zone:*

13               “(1) *Acquisition, construction, and rehabilita-*  
14 *tion of housing.*

15               “(2) *Site acquisition and preparation, including*  
16 *demolition, construction, reconstruction, or installa-*  
17 *tion of public and other site improvements and utili-*  
18 *ties directly related to the homeownership zone.*

19               “(3) *Direct financial assistance to homebuyers.*

20               “(4) *Homeownership counseling.*

21               “(5) *Relocation assistance.*

22               “(6) *Marketing costs, including affirmative mar-*  
23 *keting activities.*

24               “(7) *Other project-related costs.*

1           “(8) *Reasonable administrative costs (up to 5*  
2           *percent of the grant amount).*

3           “(9) *Other housing-related activities proposed by*  
4           *the applicant as essential to the success of the home-*  
5           *ownership zone and approved by the Secretary.*

6           “(c) *APPLICATION.—To be eligible for a grant under*  
7           *this section, a unit of general local government shall submit*  
8           *an application for a homeownership zone grant in such*  
9           *form and in accordance with such procedures as the Sec-*  
10          *retary shall establish.*

11          “(d) *SELECTION CRITERIA.—The Secretary shall select*  
12          *applications for funding under this section through a na-*  
13          *tional competition, using selection criteria established by*  
14          *the Secretary, which shall include—*

15               “(1) *the degree to which the proposed activities*  
16               *will result in the improvement of the economic, social,*  
17               *and physical aspects of the neighborhood and the lives*  
18               *of its residents through the creation of new home-*  
19               *ownership opportunities;*

20               “(2) *the levels of distress in the homeownership*  
21               *zone as a whole, and in the immediate neighborhood*  
22               *of the project for which assistance is requested;*

23               “(3) *the financial soundness of the plan for fi-*  
24               *nancing homeownership zone activities;*

25               “(4) *the leveraging of other resources; and*

1           “(5) *the capacity to successfully carry out the*  
2       *plan.*

3           “(e) *GRANT APPROVAL AMOUNTS.—The Secretary may*  
4       *establish a maximum amount for any grant for any fund-*  
5       *ing round under this section. A grant may not be made*  
6       *in an amount that exceeds the amount that the Secretary*  
7       *determines is necessary to fund the project for which the*  
8       *application is made.*

9           “(f) *PROGRAM REQUIREMENTS.—A homeownership*  
10       *zone proposal shall—*

11           “(1) *provide for a significant number of new*  
12       *homeownership opportunities that will make a visible*  
13       *improvement in an immediate neighborhood;*

14           “(2) *not be inconsistent with such planning and*  
15       *design principles as may be prescribed by the Sec-*  
16       *retary;*

17           “(3) *be designed to stimulate additional invest-*  
18       *ment in that area;*

19           “(4) *provide for partnerships with persons or en-*  
20       *tities in the private and nonprofit sectors;*

21           “(5) *incorporate a comprehensive approach to re-*  
22       *vitalization of the neighborhood;*

23           “(6) *establish a detailed time-line for commence-*  
24       *ment and completion of construction activities; and*

1           “(7) provide for affirmatively furthering fair  
2       housing.

3           “(g) *INCOME TARGETING*.—At least 51 percent of the  
4       homebuyers assisted with funds under this section shall have  
5       household incomes at or below 80 percent of median income  
6       for the area, as determined by the Secretary.

7           “(h) *ENVIRONMENTAL REVIEW*.—For purposes of envi-  
8       ronmental review, decisionmaking, and action pursuant to  
9       the National Environmental Policy Act of 1969 and other  
10      provisions of law that further the purposes of such Act, a  
11      grant under this section shall be treated as assistance under  
12      the HOME Investment Partnerships Act and shall be sub-  
13      ject to the regulations issued by the Secretary to implement  
14      section 288 of such Act.

15          “(i) *REVIEW, AUDIT, AND REPORTING*.—The Secretary  
16      shall make such reviews and audits and establish such re-  
17      porting requirements as may be necessary or appropriate  
18      to determine whether the grantee has carried out its activi-  
19      ties in a timely manner and in accordance with the require-  
20      ments of this section. The Secretary may adjust, reduce, or  
21      withdraw amounts made available, or take other action as  
22      appropriate, in accordance with the Secretary’s perform-  
23      ance reviews and audits under this section.

24          “(j) *AUTHORIZATION*.—There is authorized to be ap-  
25      propriated to carry out this section \$25,000,000 for fiscal



1 year 2001 and such sums as may be necessary for fiscal  
2 year 2002, to remain available until expended.”.

3 **SEC. 603. LEASE-TO-OWN.**

4 (a) *SENSE OF CONGRESS.*—It is the sense of the Con-  
5 gress that residential tenancies under lease-to-own provi-  
6 sions can facilitate homeownership by low- and moderate-  
7 income families and provide opportunities for homeowner-  
8 ship for such families who might not otherwise be able to  
9 afford homeownership.

10 (b) *REPORT.*—Not later than the expiration of the 3-  
11 month period beginning on the date of the enactment of this  
12 Act, the Secretary of Housing and Urban Development shall  
13 submit a report to the Congress—

14 (1) analyzing whether lease-to-own provisions  
15 can be effectively incorporated within the HOME in-  
16 vestment partnerships program, the public housing  
17 program, the tenant-based rental assistance program  
18 under section 8 of the United States Housing Act of  
19 1937, or any other programs of the Department to fa-  
20 cilitate homeownership by low- or moderate-income  
21 families; and

22 (2) any legislative or administrative changes  
23 necessary to alter or amend such programs to allow  
24 the use of lease-to-own options to provide homeowner-  
25 ship opportunities.

1 **SEC. 604. LOCAL CAPACITY BUILDING.**

2 *Section 4 of the HUD Demonstration Act of 1993 (42*  
 3 *U.S.C. 9816 note) is amended—*

4 *(1) in subsection (a), by inserting “National As-*  
 5 *sociation of Housing Partnerships,” after “Human-*  
 6 *ity,”; and*

7 *(2) in subsection (e), by striking “\$25,000,000”*  
 8 *and all that follows and inserting “, for each fiscal*  
 9 *year, such sums as may be necessary to carry out this*  
 10 *section.”.*

11 **SEC. 605. CONSOLIDATED APPLICATION AND PLANNING RE-**  
 12 **QUIREMENT AND SUPER-NOFA.**

13 *(a) CONSOLIDATED APPLICATION.—Section 106 of the*  
 14 *Cranston-Gonzalez National Affordable Housing Act (42*  
 15 *U.S.C. 12706) is amended to read as follows:*

16 **“SEC. 106. CONSOLIDATED APPLICATION FOR COMMUNITY**  
 17 **PLANNING AND DEVELOPMENT PROGRAMS.**

18 *“(a) REQUIREMENT.—The Secretary shall, by regula-*  
 19 *tion, provide for jurisdictions to comply with the planning*  
 20 *and application requirements under the covered programs*  
 21 *under subsection (b) by submitting to the Secretary, for a*  
 22 *program year, a single consolidated submission under this*  
 23 *section that complies with the requirements for planning*  
 24 *and application submissions under the laws relating to the*  
 25 *covered programs and shall serve, for the jurisdiction, as*

1 *the planning document and an application for funding*  
2 *under the covered programs.*

3 “(b) *COVERED PROGRAMS.*—*The covered programs*  
4 *under this subsection are the following programs:*

5 “(1) *The HOME investment partnerships pro-*  
6 *gram under title II of this Act (42 U.S.C. 12721 et*  
7 *seq.).*

8 “(2) *The community development block grant*  
9 *program under title I of the Housing and Community*  
10 *Development Act of 1974 (42 U.S.C. 5301 et seq.).*

11 “(3) *The economic development initiative pro-*  
12 *gram under section 108(q) of the Housing and Com-*  
13 *munity Development Act of 1974 (42 U.S.C. 5308(q)).*

14 “(4) *The emergency shelter grants program*  
15 *under subtitle B of title IV of the Stewart B. McKin-*  
16 *ney Homeless Assistance Act (42 U.S.C. 11371 et*  
17 *seq.).*

18 “(5) *The housing opportunities for persons with*  
19 *AIDS program under subtitle D of title VIII of the*  
20 *Cranston-Gonzalez National Affordable Housing Act*  
21 *(42 U.S.C. 12901 et seq.).*

22 “(c) *PROGRAM YEAR.*—*In establishing requirements*  
23 *for a consolidated submission under this section, the Sec-*  
24 *retary shall provide for a consolidated program year, which*

1 *shall comply with the various application and review dead-*  
 2 *lines under the covered programs.*

3       “(d) *ADEQUACY OF EXISTING REGULATIONS.—The*  
 4 *regulations of the Secretary relating to consolidated submis-*  
 5 *sions for community planning and development programs,*  
 6 *part 91 of title 24, Code of Federal Regulations, as in effect*  
 7 *on March 1, 1999, shall be considered to be sufficient to*  
 8 *comply with this section, except to the extent that the pro-*  
 9 *gram referred to in paragraph (3) of subsection (b) is not*  
 10 *covered by such regulations.*

11       “(e) *CONSISTENCY.—The Secretary shall, by regula-*  
 12 *tion or otherwise, as deemed by the Secretary to be appro-*  
 13 *priate, require any application for housing assistance*  
 14 *under title II of this Act, assistance under the Housing and*  
 15 *Community Development Act of 1974, or assistance under*  
 16 *the Stewart B. McKinney Homeless Assistance Act, to con-*  
 17 *tain or be accompanied by a certification by an appro-*  
 18 *priate State or local public official that the proposed hous-*  
 19 *ing activities are consistent with the housing strategy of the*  
 20 *jurisdiction to be served.”.*

21       “(b) *SUPER-NOFA.—The Department of Housing and*  
 22 *Urban Development Act is amended by inserting after sec-*  
 23 *tion 12 (42 U.S.C. 3537a) the following new section:*

1 **“SEC. 13. NOTICE OF FUNDING AVAILABILITY.**

2       “(a) *REQUIREMENT.*—*In making amounts for a fiscal*  
3 *year under the covered programs under subsection (b) avail-*  
4 *able to applicants, the Secretary shall issue a consolidated*  
5 *notice of funding availability that—*

6               “(1) *applies to as many of the covered programs*  
7 *as the Secretary determines is practicable;*

8               “(2) *simplifies the application process for fund-*  
9 *ing under such programs by providing for applica-*  
10 *tion under various covered programs through a single,*  
11 *unified application;*

12               “(3) *promotes comprehensive approaches to hous-*  
13 *ing and community development by providing for ap-*  
14 *plicants to identify coordination of efforts under var-*  
15 *ious covered programs; and*

16               “(4) *clearly informs prospective applicants of the*  
17 *general and specific requirements under law for ap-*  
18 *plying for funding under such programs.*

19       “(b) *COVERED PROGRAMS.*—*The covered programs*  
20 *under this subsection are the programs that are adminis-*  
21 *tered by the Secretary and identified by the Secretary for*  
22 *purposes of this section, in the following areas:*

23               “(1) *Housing and community development pro-*  
24 *grams.*

25               “(2) *Economic development and empowerment*  
26 *programs.*

1           “(3) *Targeted housing assistance and homeless*  
2           *assistance programs.*”.

3   **SEC. 606. ASSISTANCE FOR SELF-HELP HOUSING PRO-**  
4           **VIDERS.**

5           (a) *REAUTHORIZATION.*—Subsection (p) of section 11  
6   *of the Housing Opportunity Program Extension Act of*  
7   *1996 (42 U.S.C. 12805 note) is amended to read as follows:*

8           “(p) *AUTHORIZATION OF APPROPRIATIONS.*—There is  
9   *authorized to be appropriated to carry out this section*  
10   *\$25,000,000 for fiscal year 2001 and such sums as may be*  
11   *necessary for each of fiscal years 2002 and 2003.*”.

12          (b) *ELIGIBLE EXPENSES.*—Section 11(d)(2)(A) of the  
13   *Housing Opportunity Program Extension Act of 1996 (42*  
14   *U.S.C. 12805 note) is amended by inserting before the pe-*  
15   *riod at the end the following: “, which may include reim-*  
16   *bursing an organization, consortium, or affiliate, upon ap-*  
17   *proval of any required environmental review, for nongrant*  
18   *amounts of the organization, consortium, or affiliate ad-*  
19   *vanced before such review to acquire land*”.

20          (c) *DEADLINE FOR RECAPTURE OF FUNDS.*—Section  
21   *11 of the Housing Opportunity Program Extension Act of*  
22   *1996 (42 U.S.C. 12805 note) is amended—*

23               (1) *in subsection (i)(5)—*

24                       (A) *by striking “if the organization or con-*  
25                       *sortia has not used any grant amounts” and in-*

1       serting “the Secretary shall recapture any grant  
2       amounts provided to the organization or con-  
3       sortia that are not used”;

4               (B) by striking “(or,” and inserting “, ex-  
5       cept that such period shall be 36 months”; and

6               (C) by striking “within 36 months), the  
7       Secretary shall recapture such unused amounts”  
8       and inserting “and in the case of a grant  
9       amounts provided to a local affiliate of the orga-  
10      nization or consortia that is developing 5 or  
11      more dwellings in connection with such grant  
12      amounts”; and

13              (2) in subsection (j), by inserting after “carry  
14      out this section” the following: “and grant amounts  
15      provided to a local affiliate of the organization or  
16      consortia that is developing 5 or more dwellings in  
17      connection with such grant amounts”.

18      (d) *TECHNICAL CORRECTIONS*.—Section 11 of the  
19      Housing Opportunity Program Extension Act of 1996 (42  
20      U.S.C. 12805 note) is amended—

21              (1) in subsection (b)(4), by striking “Habitat for  
22      Humanity International, its affiliates, and other”;  
23      and

24              (2) in subsection (e)(2), by striking “consoria”  
25      and inserting “consortia”.

1 **SEC. 607. HOUSING COUNSELING ORGANIZATIONS.**

2 *Section 106 of the Housing and Urban Development*  
3 *Act of 1968 (12 U.S.C. 1701x) is amended—*

4 *(1) in subsection (a)(1)(ii), by inserting “and co-*  
5 *operative housing” before the semicolon at the end;*  
6 *and*

7 *(2) in subsection (c)—*

8 *(A) in paragraph (1)—*

9 *(i) in subparagraph (A), by striking*  
10 *“and” at the end;*

11 *(ii) in subparagraph (B), by striking*  
12 *the period at the end and inserting a semi-*  
13 *colon; and*

14 *(iii) by adding at the end the following*  
15 *new subparagraph:*

16 *“(C) to the National Cooperative Bank De-*  
17 *velopment Corporation—*

18 *“(i) to provide homeownership coun-*  
19 *seling to eligible homeowners that is specifi-*  
20 *cally designed to relate to ownership under*  
21 *cooperative housing arrangements; and*

22 *“(ii) to assist in the establishment and*  
23 *operation of well-managed and viable coop-*  
24 *erative housing boards.”;*

25 *(B) in paragraph (4)(A), by inserting before*  
26 *the semicolon at the end the following: “or, in the*



1       *case of a home loan made to finance the purchase*  
 2       *of stock or membership in a cooperative owner-*  
 3       *ship housing corporation, by the stock or mem-*  
 4       *bership interest”; and*

5               *(C) in paragraph (6)(C), by adding before*  
 6       *the period at the end the following: “and in-*  
 7       *cludes a loan that is secured by a first lien given*  
 8       *in accordance with the laws of the State where*  
 9       *the property is located and that is made to fi-*  
 10       *nance the purchase of stock or membership in a*  
 11       *cooperative ownership housing corporation the*  
 12       *permanent occupancy of dwelling units of which*  
 13       *is restricted to members of such corporation,*  
 14       *where the purchase of such stock or membership*  
 15       *will entitle the purchaser to the permanent occu-*  
 16       *pancy of 1 of such units”.*

17   **SEC. 608. COMMUNITY LEAD INFORMATION CENTERS AND**  
 18       **LEAD-SAFE HOUSING.**

19       *Section 1011(e) of the Residential Lead-Based Paint*  
 20       *Hazard Reduction Act of 1992 (42 U.S.C. 4852(e)) is*  
 21       *amended—*

22               *(1) in paragraph (7), by inserting “, which may*  
 23       *include leasing of lead-safe temporary housing” before*  
 24       *the semicolon at the end;*

1           (2) *in paragraph (9), by striking “and” at the*  
 2     *end;*

3           (3) *by redesignating paragraph (10) as para-*  
 4     *graph (11); and*

5           (4) *by inserting after paragraph (9) the fol-*  
 6     *lowing new paragraph:*

7           “(10) *provide accessible information through cen-*  
 8     *tralized locations that provide a variety of residential*  
 9     *lead-based paint poisoning prevention services to the*  
 10    *community that such services are intended to benefit;*  
 11    *and”.*

12     ***TITLE VII—NATIVE AMERICAN***  
 13     ***HOUSING HOMEOWNERSHIP***

14    ***SEC. 701. LANDS TITLE REPORT COMMISSION.***

15       (a) *ESTABLISHMENT.*—*Subject to sums being provided*  
 16    *in advance in appropriations Acts, there is established a*  
 17    *Commission to be known as the Lands Title Report Com-*  
 18    *mission (hereafter in this section referred to as the “Com-*  
 19    *mission”)* *to facilitate home loan mortgages on Indian trust*  
 20    *lands. The Commission will be subject to oversight by the*  
 21    *Committee on Banking and Financial Services of the House*  
 22    *of Representatives and the Committee on Banking, Hous-*  
 23    *ing, and Urban Affairs of the Senate.*

24       (b) *MEMBERSHIP.*—

1           (1) *APPOINTMENT.*—*The Commission shall be*  
2           *composed of 12 members, appointed not later than 90*  
3           *days after the date of the enactment of this Act as fol-*  
4           *lows:*

5                     (A) *4 members shall be appointed by the*  
6           *President.*

7                     (B) *4 members shall be appointed by the*  
8           *Chairperson of the Committee on Banking and*  
9           *Financial Services of the House of Representa-*  
10          *tives.*

11                    (C) *4 members shall be appointed by the*  
12          *Chairperson of the Committee on Banking,*  
13          *Housing, and Urban Affairs of the Senate.*

14          (2) *QUALIFICATIONS.*—

15                    (A) *MEMBERS OF TRIBES.*—*At all times,*  
16          *not less than 8 of the members of the Commission*  
17          *shall be members of federally recognized Indian*  
18          *tribes.*

19                    (B) *EXPERIENCE IN LAND TITLE MAT-*  
20          *TERS.*—*All members of the Commission shall*  
21          *have experience in and knowledge of land title*  
22          *matters relating to Indian trust lands.*

23                    (3) *CHAIRPERSON.*—*The Chairperson of the*  
24          *Commission shall be one of the members of the Com-*

1       mission appointed under paragraph (1)(C), as elected  
2       by the members of the Commission.

3           (4) *VACANCIES.*—Any vacancy on the Commis-  
4       sion shall not affect its powers, but shall be filled in  
5       the manner in which the original appointment was  
6       made.

7           (5) *TRAVEL EXPENSES.*—Members of the Com-  
8       mission shall serve without pay, but each member  
9       shall receive travel expenses, including per diem in  
10      lieu of subsistence, in accordance with sections 5702  
11      and 5703 of title 5, United States Code.

12       (c) *INITIAL MEETING.*—The Chairperson of the Com-  
13      mission shall call the initial meeting of the Commission.  
14      Such meeting shall be held within 30 days after the Chair-  
15      person of the Commission determines that sums sufficient  
16      for the Commission to carry out its duties under this Act  
17      have been appropriated for such purpose.

18       (d) *DUTIES.*—The Commission shall analyze the sys-  
19      tem of the Bureau of Indian Affairs of the Department of  
20      the Interior for maintaining land ownership records and  
21      title documents and issuing certified title status reports re-  
22      lating to Indian trust lands and, pursuant to such analysis,  
23      determine how best to improve or replace the system—

24           (1) to ensure prompt and accurate responses to  
25      requests for title status reports;

1           (2) *to eliminate any backlog of requests for title*  
2           *status reports; and*

3           (3) *to ensure that the administration of the sys-*  
4           *tem will not in any way impair or restrict the ability*  
5           *of Native Americans to obtain conventional loans for*  
6           *purchase of residences located on Indian trust lands,*  
7           *including any actions necessary to ensure that the*  
8           *system will promptly be able to meet future demands*  
9           *for certified title status reports, taking into account*  
10          *the anticipated complexity and volume of such re-*  
11          *quests.*

12          (e) *REPORT.*—*Not later than the date of the termi-*  
13          *nation of the Commission under subsection (h), the Com-*  
14          *mission shall submit a report to the Committee on Banking*  
15          *and Financial Services of the House of Representatives and*  
16          *the Committee on Banking, Housing, and Urban Affairs*  
17          *of the Senate describing the analysis and determinations*  
18          *made pursuant to subsection (d).*

19          (f) *POWERS.*—

20               (1) *HEARINGS AND SESSIONS.*—*The Commission*  
21          *may, for the purpose of carrying out this section, hold*  
22          *hearings, sit and act at times and places, take testi-*  
23          *mony, and receive evidence as the Commission con-*  
24          *siders appropriate.*

1           (2) *STAFF OF FEDERAL AGENCIES.*—Upon re-  
2           *quest of the Commission, the head of any Federal de-*  
3           *partment or agency may detail, on a reimbursable*  
4           *basis, any of the personnel of that department or*  
5           *agency to the Commission to assist it in carrying out*  
6           *its duties under this section.*

7           (3) *OBTAINING OFFICIAL DATA.*—The Commis-  
8           *sion may secure directly from any department or*  
9           *agency of the United States information necessary to*  
10          *enable it to carry out this section. Upon request of the*  
11          *Chairperson of the Commission, the head of that de-*  
12          *partment or agency shall furnish that information to*  
13          *the Commission.*

14          (4) *MAILS.*—The Commission may use the  
15          *United States mails in the same manner and under*  
16          *the same conditions as other departments and agen-*  
17          *cies of the United States.*

18          (5) *ADMINISTRATIVE SUPPORT SERVICES.*—Upon  
19          *the request of the Commission, the Administrator of*  
20          *General Services shall provide to the Commission, on*  
21          *a reimbursable basis, the administrative support serv-*  
22          *ices necessary for the Commission to carry out its du-*  
23          *ties under this section.*

24          (6) *STAFF.*—The Commission may appoint per-  
25          *sonnel as it considers appropriate, subject to the pro-*

visions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(g) *AUTHORIZATION OF APPROPRIATIONS.*—To carry out this section, there is authorized to be appropriated \$500,000. Such sums shall remain available until expended.

(h) *TERMINATION.*—The Commission shall terminate 1 year after the date of the initial meeting of the Commission.

**SEC. 702. LOAN GUARANTEES.**

Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)) is amended—

(1) in paragraph (5), by striking subparagraph (C) and inserting the following new subparagraph:

“(C) *LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.*—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each fiscal year with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for such fiscal year.”; and

1           (2) in paragraph (7), by striking “each of fiscal  
2       years 1997, 1998, 1999, 2000, and 2001” and insert-  
3       ing “each fiscal year”.

4   **SEC. 703. NATIVE AMERICAN HOUSING ASSISTANCE.**

5       (a) *RESTRICTION ON WAIVER AUTHORITY.*—

6           (1) *IN GENERAL.*—Section 101(b)(2) of the Na-  
7       tive American Housing Assistance and Self-Deter-  
8       mination Act of 1996 (25 U.S.C. 4111(b)(2)) is  
9       amended by striking “if the Secretary” and all that  
10      follows through the period at the end and inserting  
11      the following: “for a period of not more than 90 days,  
12      if the Secretary determines that an Indian tribe has  
13      not complied with, or is unable to comply with, those  
14      requirements due to exigent circumstances beyond the  
15      control of the Indian tribe.”.

16          (2) *LOCAL COOPERATION AGREEMENT.*—Section  
17      101(c) of the Native American Housing Assistance  
18      and Self-Determination Act of 1996 (25 U.S.C.  
19      4111(c)) is amended by adding at the end the fol-  
20      lowing: “The Secretary may waive the requirements  
21      of this subsection and subsection (d) if the recipient  
22      has made a good faith effort to fulfill the requirements  
23      of this subsection and subsection (d) and agrees to  
24      make payments in lieu of taxes to the appropriate  
25      taxing authority in an amount consistent with the re-



1        *quirements of subsection (d)(2) until such time as the*  
 2        *matter of making such payments has been resolved in*  
 3        *accordance with subsection (d).”.*

4        *(b) ASSISTANCE TO FAMILIES THAT ARE NOT LOW-*  
 5        *INCOME.—Section 102(c) of the Native American Housing*  
 6        *Assistance and Self-Determination Act of 1996 (25 U.S.C.*  
 7        *4112(c)) is amended by adding at the end the following:*

8                *“(6) CERTAIN FAMILIES.—With respect to assist-*  
 9                *ance provided under section 201(b)(2) by a recipient*  
 10               *to Indian families that are not low-income families,*  
 11               *evidence that there is a need for housing for each such*  
 12               *family during that period that cannot reasonably be*  
 13               *met without such assistance.”.*

14        *(c) ELIMINATION OF WAIVER AUTHORITY FOR SMALL*  
 15        *TRIBES.—Section 102 of the Native American Housing As-*  
 16        *sistance and Self-Determination Act of 1996 (25 U.S.C.*  
 17        *4112) is amended—*

18                *(1) by striking subsection (f); and*

19                *(2) by redesignating subsection (g) as subsection*  
 20                *(f).*

21        *(d) ENVIRONMENTAL COMPLIANCE.—Section 105 of*  
 22        *the Native American Housing Assistance and Self-Deter-*  
 23        *mination Act of 1996 (25 U.S.C. 4115) is amended by add-*  
 24        *ing at the end the following:*

1       “(d) *ENVIRONMENTAL COMPLIANCE.*—*The Secretary*  
 2       *may waive the requirements under this section if the Sec-*  
 3       *retary determines that a failure on the part of a recipient*  
 4       *to comply with provisions of this section—*

5               “(1) *will not frustrate the goals of the National*  
 6       *Environmental Policy Act of 1969 (42 U.S.C. 4331 et*  
 7       *seq.) or any other provision of law that furthers the*  
 8       *goals of that Act;*

9               “(2) *does not threaten the health or safety of the*  
 10       *community involved by posing an immediate or long-*  
 11       *term hazard to residents of that community;*

12               “(3) *is a result of inadvertent error, including*  
 13       *an incorrect or incomplete certification provided*  
 14       *under subsection (c)(1); and*

15               “(4) *may be corrected through the sole action of*  
 16       *the recipient.”.*

17       (e) *ELIGIBILITY OF LAW ENFORCEMENT OFFICERS*  
 18       *FOR HOUSING ASSISTANCE.*—*Section 201(b) of the Native*  
 19       *American Housing Assistance and Self-Determination Act*  
 20       *of 1996 (25 U.S.C. 4131(b)) is amended—*

21               (1) *in paragraph (1), by striking “paragraph*  
 22       *(2)” and inserting “paragraphs (2) and (4)”;*

23               (2) *by redesignating paragraphs (4) and (5) as*  
 24       *paragraphs (5) and (6), respectively; and*

1           (3) by inserting after paragraph (3) the fol-  
 2           lowing new paragraph:

3           “(4) *LAW ENFORCEMENT OFFICERS.*—A recipient  
 4           may provide housing or housing assistance provided  
 5           through affordable housing activities assisted with  
 6           grant amounts under this Act for a law enforcement  
 7           officer on an Indian reservation or other Indian area,  
 8           if—

9           “(A) the officer—

10           “(i) is employed on a full-time basis by  
 11           the Federal Government or a State, county,  
 12           or tribal government; and

13           “(ii) in implementing such full-time  
 14           employment, is sworn to uphold, and make  
 15           arrests for, violations of Federal, State,  
 16           county, or tribal law; and

17           “(B) the recipient determines that the pres-  
 18           ence of the law enforcement officer on the Indian  
 19           reservation or other Indian area may deter  
 20           crime.”.

21           (f) *OVERSIGHT.*—

22           (1) *REPAYMENT.*—Section 209 of the Native  
 23           American Housing Assistance and Self-Determination  
 24           Act of 1996 (25 U.S.C. 4139) is amended to read as  
 25           follows:

1 **“SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING**  
 2 **REQUIREMENT.**

3 *“If a recipient uses grant amounts to provide afford-*  
 4 *able housing under this title, and at any time during the*  
 5 *useful life of the housing the recipient does not comply with*  
 6 *the requirement under section 205(a)(2), the Secretary shall*  
 7 *take appropriate action under section 401(a).”.*

8 (2) *AUDITS AND REVIEWS.—Section 405 of the*  
 9 *Native American Housing Assistance and Self-Deter-*  
 10 *mination Act of 1996 (25 U.S.C. 4165) is amended*  
 11 *to read as follows:*

12 **“SEC. 405. REVIEW AND AUDIT BY SECRETARY.**

13 *“(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE*  
 14 *31, UNITED STATES CODE.—An entity designated by an*  
 15 *Indian tribe as a housing entity shall be treated, for pur-*  
 16 *poses of chapter 75 of title 31, United States Code, as a*  
 17 *non-Federal entity that is subject to the audit requirements*  
 18 *that apply to non-Federal entities under that chapter.*

19 *“(b) ADDITIONAL REVIEWS AND AUDITS.—*

20 *“(1) IN GENERAL.—In addition to any audit or*  
 21 *review under subsection (a), to the extent the Sec-*  
 22 *retary determines such action to be appropriate, the*  
 23 *Secretary may conduct an audit or review of a re-*  
 24 *cipient in order to—*

25 *“(A) determine whether the recipient—*

26 *“(i) has carried out—*

1                   “(I) eligible activities in a timely  
2                   manner; and

3                   “(II) eligible activities and certifi-  
4                   cation in accordance with this Act and  
5                   other applicable law;

6                   “(ii) has a continuing capacity to  
7                   carry out eligible activities in a timely  
8                   manner; and

9                   “(iii) is in compliance with the Indian  
10                  housing plan of the recipient; and

11                  “(B) verify the accuracy of information  
12                  contained in any performance report submitted  
13                  by the recipient under section 404.

14                  “(2) ON-SITE VISITS.—To the extent practicable,  
15                  the reviews and audits conducted under this sub-  
16                  section shall include on-site visits by the appropriate  
17                  official of the Department of Housing and Urban De-  
18                  velopment.

19                  “(c) REVIEW OF REPORTS.—

20                  “(1) IN GENERAL.—The Secretary shall provide  
21                  each recipient that is the subject of a report made by  
22                  the Secretary under this section notice that the recipi-  
23                  ent may review and comment on the report during a  
24                  period of not less than 30 days after the date on  
25                  which notice is issued under this paragraph.

1           “(2) *PUBLIC AVAILABILITY.*—*After taking into*  
 2           *consideration any comments of the recipient under*  
 3           *paragraph (1), the Secretary—*

4                     “(A) *may revise the report; and*

5                     “(B) *not later than 30 days after the date*  
 6           *on which those comments are received, shall*  
 7           *make the comments and the report (with any re-*  
 8           *visions made under subparagraph (A)) readily*  
 9           *available to the public.*

10          “(d) *EFFECT OF REVIEWS.*—*Subject to section 401(a),*  
 11          *after reviewing the reports and audits relating to a recipi-*  
 12          *ent that are submitted to the Secretary under this section,*  
 13          *the Secretary may adjust the amount of a grant made to*  
 14          *a recipient under this Act in accordance with the findings*  
 15          *of the Secretary with respect to those reports and audits.”.*

16          “(g) *ALLOCATION FORMULA.*—*Section 302(d)(1) of the*  
 17          *Native American Housing Assistance and Self-Determina-*  
 18          *tion Act of 1996 (25 U.S.C. 4152(d)(1)) is amended—*

19                     “(1) *by striking “The formula,” and inserting the*  
 20           *following:*

21                     “(A) *IN GENERAL.*—*Except with respect to*  
 22           *an Indian tribe described in subparagraph (B),*  
 23           *the formula”;* *and*

24                     “(2) *by adding at the end the following:*

1           “(B) *CERTAIN INDIAN TRIBES.*—With re-  
 2           spect to fiscal year 2001 and each fiscal year  
 3           thereafter, for any Indian tribe with an Indian  
 4           housing authority that owns or operates fewer  
 5           than 250 public housing units, the formula shall  
 6           provide that if the amount provided for a fiscal  
 7           year in which the total amount made available  
 8           for assistance under this Act is equal to or great-  
 9           er than the amount made available for fiscal  
 10          year 1996 for assistance for the operation and  
 11          modernization of the public housing referred to  
 12          in subparagraph (A), then the amount provided  
 13          to that Indian tribe as modernization assistance  
 14          shall be equal to the average annual amount of  
 15          funds provided to the Indian tribe (other than  
 16          funds provided as emergency assistance) under  
 17          the assistance program under section 14 of the  
 18          United States Housing Act of 1937 (42 U.S.C.  
 19          1437l) for the period beginning with fiscal year  
 20          1992 and ending with fiscal year 1997.”.

21          (h) *HEARING REQUIREMENT.*—Section 401(a) of the  
 22          Native American Housing Assistance and Self-Determina-  
 23          tion Act of 1996 (25 U.S.C. 4161(a)) is amended—

24                 (1) by redesignating paragraphs (1) through (4)  
 25          as subparagraphs (A) through (D), respectively, and

1        *realigning such subparagraphs (as so redesignated) so*  
 2        *as to be indented 4 ems from the left margin;*

3                *(2) by striking “Except as provided” and insert-*  
 4        *ing the following:*

5                *“(1) IN GENERAL.—Except as provided”;*

6                *(3) by striking “If the Secretary takes an action*  
 7        *under paragraph (1), (2), or (3)” and inserting the*  
 8        *following:*

9                *“(2) CONTINUANCE OF ACTIONS.—If the Sec-*  
 10        *retary takes an action under subparagraph (A), (B),*  
 11        *or (C) of paragraph (1)”;* and

12                *(4) by adding at the end the following:*

13                *“(3) EXCEPTION FOR CERTAIN ACTIONS.—*

14                *“(A) IN GENERAL.—Notwithstanding any*  
 15        *other provision of this subsection, if the Sec-*  
 16        *retary makes a determination that the failure of*  
 17        *a recipient of assistance under this Act to com-*  
 18        *ply substantially with any material provision*  
 19        *(as that term is defined by the Secretary) of this*  
 20        *Act is resulting, and would continue to result, in*  
 21        *a continuing expenditure of Federal funds in a*  
 22        *manner that is not authorized by law, the Sec-*  
 23        *retary may take an action described in para-*  
 24        *graph (1)(C) before conducting a hearing.*



1                   “(B) *PROCEDURAL REQUIREMENT.*—If the  
2                   Secretary takes an action described in subpara-  
3                   graph (A), the Secretary shall—

4                   “(i) provide notice to the recipient at  
5                   the time that the Secretary takes that ac-  
6                   tion; and

7                   “(ii) conduct a hearing not later than  
8                   60 days after the date on which the Sec-  
9                   retary provides notice under clause (i).

10                  “(C) *DETERMINATION.*—Upon completion of  
11                  a hearing under this paragraph, the Secretary  
12                  shall make a determination regarding whether to  
13                  continue taking the action that is the subject of  
14                  the hearing, or take another action under this  
15                  subsection.”.

16                  (i) *PERFORMANCE AGREEMENT TIME LIMIT.*—Section  
17                  401(b) of the Native American Housing Assistance and Self-  
18                  Determination Act of 1996 (25 U.S.C. 4161(b)) is  
19                  amended—

20                  (1) by striking “If the Secretary” and inserting  
21                  the following:

22                  “(1) *IN GENERAL.*—If the Secretary”;

23                  (2) by striking “(1) is not” and inserting the fol-  
24                  lowing:

25                  “(A) is not”;

1           (3) by striking “(2) is a result” and inserting  
2           the following:

3                     “(B) is a result”;

4           (4) in the flush material following paragraph  
5           (1)(B), as redesignated by paragraph (3) of this  
6           subsection—

7                     (A) by realigning such material so as to be  
8                     indented 2 ems from the left margin; and

9                     (B) by inserting before the period at the end  
10           the following: “, if the recipient enters into a  
11           performance agreement with the Secretary that  
12           specifies the compliance objectives that the recipi-  
13           ent will be required to achieve by the termi-  
14           nation date of the performance agreement”; and

15           (5) by adding at the end the following:

16                     “(2) *PERFORMANCE AGREEMENT.*—The period of  
17           a performance agreement described in paragraph (1)  
18           shall be for 1 year.

19                     “(3) *REVIEW.*—Upon the termination of a per-  
20           formance agreement entered into under paragraph  
21           (1), the Secretary shall review the performance of the  
22           recipient that is a party to the agreement.

23                     “(4) *EFFECT OF REVIEW.*—If, on the basis of a  
24           review under paragraph (3), the Secretary determines  
25           that the recipient—

1           “(A) *has made a good faith effort to meet*  
 2           *the compliance objectives specified in the agree-*  
 3           *ment, the Secretary may enter into an addi-*  
 4           *tional performance agreement for the period*  
 5           *specified in paragraph (2); and*

6           “(B) *has failed to make a good faith effort*  
 7           *to meet applicable compliance objectives, the Sec-*  
 8           *retary shall determine the recipient to have*  
 9           *failed to comply substantially with this Act, and*  
 10          *the recipient shall be subject to an action under*  
 11          *subsection (a).”.*

12          (j) *REFERENCE.—Section 104(b)(1) of the Native*  
 13          *American Housing Assistance and Self-Determination Act*  
 14          *of 1996 (25 U.S.C. 4114(b)(1)) is amended by striking*  
 15          *“Davis-Bacon Act (40 U.S.C. 276a–276a–5)” and inserting*  
 16          *“Act of March 3, 1931 (commonly known as the Davis-*  
 17          *Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C 276a et*  
 18          *seq.)”.*

19          (k) *TECHNICAL AND CONFORMING AMENDMENTS.—*

20                 (1) *TABLE OF CONTENTS.—Section 1(b) of the*  
 21          *Native American Housing Assistance and Self-Deter-*  
 22          *mination Act of 1996 (25 U.S.C. 4101 note) is*  
 23          *amended in the table of contents—*

24                         (A) *by striking the item relating to section*  
 25                         206; *and*

1                   (B) by striking the item relating to section  
2                   209 and inserting the following:

“209. Noncompliance with affordable housing requirement.”.

3                   (2) CERTIFICATION OF COMPLIANCE WITH SUB-  
4                   SIDY LAYERING REQUIREMENTS.—Section 206 of the  
5                   Native American Housing Assistance and Self-Deter-  
6                   mination Act of 1996 (25 U.S.C. 4136) is repealed.

7                   (3) TERMINATIONS.—Section 502(a) of the Na-  
8                   tive American Housing Assistance and Self-Deter-  
9                   mination Act of 1996 (25 U.S.C. 4181(a)) is amended  
10                  by adding at the end the following: “Any housing that  
11                  is the subject of a contract for tenant-based assistance  
12                  between the Secretary and an Indian housing author-  
13                  ity that is terminated under this section shall, for the  
14                  following fiscal year and each fiscal year thereafter,  
15                  be considered to be a dwelling unit under section  
16                  302(b)(1).”.

1 **TITLE VIII—TRANSFER OF HUD-**  
 2 **HELD HOUSING TO LOCAL**  
 3 **GOVERNMENTS AND NON-**  
 4 **PROFIT ORGANIZATIONS**

5 **SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD**  
 6 **HUD-HELD HOUSING TO LOCAL GOVERN-**  
 7 **MENTS AND COMMUNITY DEVELOPMENT**  
 8 **CORPORATIONS.**

9 *Section 204 of the Departments of Veterans Affairs and*  
 10 *Housing and Urban Development, and Independent Agen-*  
 11 *cies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is*  
 12 *amended—*

13 *(1) by striking “FLEXIBLE AUTHORITY.—” and*  
 14 *inserting “DISPOSITION OF HUD-OWNED PROP-*  
 15 *ERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY*  
 16 *PROJECTS.—”; and*

17 *(2) by adding at the end the following new sub-*  
 18 *section:*

19 *“(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD*  
 20 *HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DE-*  
 21 *VELOPMENT CORPORATIONS.—*

22 *“(1) TRANSFER AUTHORITY.—Notwithstanding*  
 23 *the authority under subsection (a) and the last sen-*  
 24 *tence of section 204(g) of the National Housing Act*  
 25 *(12 U.S.C. 1710(g)), the Secretary of Housing and*

1     *Urban Development shall transfer ownership of any*  
2     *qualified HUD property, subject to the requirements*  
3     *of this section, to a unit of general local government*  
4     *having jurisdiction for the area in which the property*  
5     *is located or to a community development corporation*  
6     *which operates within such a unit of general local*  
7     *government in accordance with this subsection, but*  
8     *only to the extent that units of general local govern-*  
9     *ment and community development corporations con-*  
10    *sent to transfer and the Secretary determines that*  
11    *such transfer is practicable.*

12           “(2) *QUALIFIED HUD PROPERTIES.*—*For pur-*  
13    *poses of this subsection, the term ‘qualified HUD*  
14    *property’ means any property for which, as of the*  
15    *date that notification of the property is first made*  
16    *under paragraph (3)(B), not less than 6 months have*  
17    *elapsed since the later of the date that the property*  
18    *was acquired by the Secretary or the date that the*  
19    *property was determined to be unoccupied or sub-*  
20    *standard, that is owned by the Secretary and is—*

21           “(A) *an unoccupied multifamily housing*  
22           *project;*

23           “(B) *a substandard multifamily housing*  
24           *project; or*

1           “(C) *an unoccupied single family property*  
2           *that—*

3                   “(i) *has been determined by the Sec-*  
4                   *retary not to be an eligible asset under sec-*  
5                   *tion 204(h) of the National Housing Act (12*  
6                   *U.S.C. 1710(h)); or*

7                   “(ii) *is an eligible asset under such sec-*  
8                   *tion 204(h), but—*

9                           “(I) *is not subject to a specific*  
10                          *sale agreement under such section; and*

11                           “(II) *has been determined by the*  
12                          *Secretary to be inappropriate for con-*  
13                          *tinued inclusion in the program under*  
14                          *such section 204(h) pursuant to para-*  
15                          *graph (10) of such section.*

16           “(3) *TIMING.—The Secretary shall establish pro-*  
17           *cedures that provide for—*

18                          “(A) *time deadlines for transfers under this*  
19                          *subsection;*

20                          “(B) *notification to units of general local*  
21                          *government and community development cor-*  
22                          *porations of qualified HUD properties in their*  
23                          *jurisdictions;*

1           “(C) *such units and corporations to express*  
2           *interest in the transfer under this subsection of*  
3           *such properties;*

4           “(D) *a right of first refusal for transfer of*  
5           *qualified HUD properties to units of general*  
6           *local government and community development*  
7           *corporations, under which—*

8                   “(i) *the Secretary shall establish a pe-*  
9                   *riod during which the Secretary may not*  
10                  *transfer such properties except to such units*  
11                  *and corporations;*

12                  “(ii) *the Secretary shall offer qualified*  
13                  *HUD properties that are single family*  
14                  *properties for purchase by units of general*  
15                  *local government at a cost of \$1 for each*  
16                  *property, but only to the extent that the*  
17                  *costs to the Federal Government of disposal*  
18                  *at such price do not exceed the costs to the*  
19                  *Federal Government of disposing of prop-*  
20                  *erty subject to the procedures for single fam-*  
21                  *ily property established by the Secretary*  
22                  *pursuant to the authority under the last*  
23                  *sentence of section 204(g) of the National*  
24                  *Housing Act (12 U.S.C. 1710(g));*



1           “(iii) the Secretary may accept an  
2           offer to purchase a property made by a  
3           community development corporation only if  
4           the offer provides for purchase on a cost re-  
5           covery basis; and

6           “(iv) the Secretary shall accept an  
7           offer to purchase such a property that is  
8           made during such period by such a unit or  
9           corporation and that complies with the re-  
10          quirements of this paragraph;

11          “(E) a written explanation, to any unit of  
12          general local government or community develop-  
13          ment corporation making an offer to purchase a  
14          qualified HUD property under this subsection  
15          that is not accepted, of the reason that such offer  
16          was not acceptable.

17          “(4) OTHER DISPOSITION.—With respect to any  
18          qualified HUD property, if the Secretary does not re-  
19          ceive an acceptable offer to purchase the property pur-  
20          suant to the procedure established under paragraph  
21          (3), the Secretary shall dispose of the property to the  
22          unit of general local government in which property is  
23          located or to community development corporations lo-  
24          cated in such unit of general local government on a

1       *negotiated, competitive bid, or other basis, on such*  
2       *terms as the Secretary deems appropriate.*

3               “(5) *SATISFACTION OF INDEBTEDNESS.*—*Before*  
4       *transferring ownership of any qualified HUD prop-*  
5       *erty pursuant to this subsection, the Secretary shall*  
6       *satisfy any indebtedness incurred in connection with*  
7       *the property to be transferred, by canceling the in-*  
8       *debtedness.*

9               “(6) *DETERMINATION OF STATUS OF PROP-*  
10       *ERTIES.*—*To ensure compliance with the requirements*  
11       *of this subsection, the Secretary shall take the fol-*  
12       *lowing actions:*

13                   “(A) *UPON ENACTMENT.*—*Upon the enact-*  
14       *ment of the American Homeownership and Eco-*  
15       *nomic Opportunity Act of 2000, the Secretary*  
16       *shall promptly assess each residential property*  
17       *owned by the Secretary to determine whether*  
18       *such property is a qualified HUD property.*

19                   “(B) *UPON ACQUISITION.*—*Upon acquiring*  
20       *any residential property, the Secretary shall*  
21       *promptly determine whether the property is a*  
22       *qualified HUD property.*

23                   “(C) *UPDATES.*—*The Secretary shall peri-*  
24       *odically reassess the residential properties owned*  
25       *by the Secretary to determine whether any such*

1           *properties have become qualified HUD prop-*  
2           *erties.*

3           “(7) *TENANT LEASES.*—*This subsection shall not*  
4           *affect the terms or the enforceability of any contract*  
5           *or lease entered into with respect to any residential*  
6           *property before the date that such property becomes a*  
7           *qualified HUD property.*

8           “(8) *USE OF PROPERTY.*—*Property transferred*  
9           *under this subsection shall be used only for appro-*  
10          *priate neighborhood revitalization efforts, including*  
11          *homeownership, rental units, commercial space, and*  
12          *parks, consistent with local zoning regulations, local*  
13          *building codes, and subdivision regulations and re-*  
14          *strictions of record.*

15          “(9) *INAPPLICABILITY TO PROPERTIES MADE*  
16          *AVAILABLE FOR HOMELESS.*—*Notwithstanding any*  
17          *other provision of this subsection, this subsection shall*  
18          *not apply to any properties that the Secretary deter-*  
19          *mines are to be made available for use by the home-*  
20          *less pursuant to subpart E of part 291 of title 24,*  
21          *Code of Federal Regulations, during the period that*  
22          *the properties are so available.*

23          “(10) *PROTECTION OF EXISTING CONTRACTS.*—  
24          *This subsection may not be construed to alter, affect,*  
25          *or annul any legally binding obligations entered into*

1       *with respect to a qualified HUD property before the*  
2       *property becomes a qualified HUD property.*

3               “(11) *DEFINITIONS.*—*For purposes of this sub-*  
4       *section, the following definitions shall apply:*

5               “(A) *COMMUNITY DEVELOPMENT CORPORA-*  
6       *TION.*—*The term ‘community development cor-*  
7       *poration’ means a nonprofit organization whose*  
8       *primary purpose is to promote community devel-*  
9       *opment by providing housing opportunities for*  
10       *low-income families.*

11              “(B) *COST RECOVERY BASIS.*—*The term*  
12       *‘cost recovery basis’ means, with respect to any*  
13       *sale of a residential property by the Secretary,*  
14       *that the purchase price paid by the purchaser is*  
15       *equal to or greater than the sum of (i) the ap-*  
16       *praised value of the property, as determined in*  
17       *accordance with such requirements as the Sec-*  
18       *retary shall establish, and (ii) the costs incurred*  
19       *by the Secretary in connection with such prop-*  
20       *erty during the period beginning on the date on*  
21       *which the Secretary acquires title to the property*  
22       *and ending on the date on which the sale is con-*  
23       *summated.*

24              “(C) *MULTIFAMILY HOUSING PROJECT.*—  
25       *The term ‘multifamily housing project’ has the*

1        *meaning given the term in section 203 of the*  
2        *Housing and Community Development Amend-*  
3        *ments of 1978.*

4                “(D) *RESIDENTIAL PROPERTY.*—*The term*  
5        *‘residential property’ means a property that is a*  
6        *multifamily housing project or a single family*  
7        *property.*

8                “(E) *SECRETARY.*—*The term ‘Secretary’*  
9        *means the Secretary of Housing and Urban De-*  
10       *velopment.*

11               “(F) *SEVERE PHYSICAL PROBLEMS.*—*The*  
12       *term ‘severe physical problems’ means, with re-*  
13       *spect to a dwelling unit, that the unit—*

14                    “(i) *lacks hot or cold piped water, a*  
15       *flush toilet, or both a bathtub and a shower*  
16       *in the unit, for the exclusive use of that*  
17       *unit;*

18                    “(ii) *on not less than 3 separate occa-*  
19       *sions during the preceding winter months,*  
20       *was uncomfortably cold for a period of more*  
21       *than 6 consecutive hours due to a malfunc-*  
22       *tion of the heating system for the unit;*

23                    “(iii) *has no functioning electrical*  
24       *service, exposed wiring, any room in which*  
25       *there is not a functioning electrical outlet,*

1           *or has experienced 3 or more blown fuses or*  
2           *tripped circuit breakers during the pre-*  
3           *ceding 90-day period;*

4           “(iv) *is accessible through a public*  
5           *hallway in which there are no working light*  
6           *fixtures, loose or missing steps or railings,*  
7           *and no elevator; or*

8           “(v) *has severe maintenance problems,*  
9           *including water leaks involving the roof,*  
10          *windows, doors, basement, or pipes or*  
11          *plumbing fixtures, holes or open cracks in*  
12          *walls or ceilings, severe paint peeling or*  
13          *broken plaster, and signs of rodent infesta-*  
14          *tion.*

15          “(G) *SINGLE FAMILY PROPERTY.—The term*  
16          *‘single family property’ means a 1- to 4-family*  
17          *residence.*

18          “(H) *SUBSTANDARD.—The term ‘sub-*  
19          *standard’ means, with respect to a multifamily*  
20          *housing project, that 25 percent or more of the*  
21          *dwelling units in the project have severe physical*  
22          *problems.*

23          “(I) *UNIT OF GENERAL LOCAL GOVERN-*  
24          *MENT.—The term ‘unit of general local govern-*  
25          *ment’ has the meaning given such term in sec-*

tion 102(a) of the Housing and Community Development Act of 1974.

“(J) UNOCCUPIED.—The term ‘unoccupied’ means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

“(12) REGULATIONS.—

“(A) INTERIM.—Not later than 30 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

“(B) FINAL.—Not later than 60 days after the date of the enactment of the American Homeownership and Economic Opportunity Act of 2000, the Secretary shall issue such final regulations as are necessary to carry out this subsection.”.

**SEC. 802. TRANSFER OF HUD ASSETS IN REVITALIZATION AREAS.**

*In carrying out the program under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)), upon the*

1 *request of the chief executive officer of a county or the gov-*  
 2 *ernment of appropriate jurisdiction and not later than 60*  
 3 *days after such request is made, the Secretary of Housing*  
 4 *and Urban Development shall designate as a revitalization*  
 5 *area all portions of such county that meet the criteria for*  
 6 *such designation under paragraph (3) of such section.*

7 ***TITLE IX—PRIVATE MORTGAGE***  
 8 ***INSURANCE CANCELLATION***  
 9 ***AND TERMINATION***

10 ***SECTION 901. SHORT TITLE.***

11 *This title may be cited as the “Private Mortgage Insur-*  
 12 *ance Technical Corrections and Clarification Act”.*

13 ***SEC. 902. CHANGES IN AMORTIZATION SCHEDULE.***

14 *(a) TREATMENT OF ADJUSTABLE RATE MORT-*  
 15 *GAGES.—The Homeowners Protection Act of 1998 (12*  
 16 *U.S.C. 4901 et seq.) is amended—*

17 *(1) in section 2—*

18 *(A) in paragraph (2)(B)(i), by striking*  
 19 *“amortization schedules” and inserting “the am-*  
 20 *ortization schedule then in effect”;*

21 *(B) in paragraph (16)(B), by striking “am-*  
 22 *ortization schedules” and inserting “the amorti-*  
 23 *zation schedule then in effect”;*

24 *(C) by redesignating paragraphs (6)*  
 25 *through (16) (as amended by the preceding pro-*



visions of this paragraph) as paragraphs (8) through (18), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

“(6) *AMORTIZATION SCHEDULE THEN IN EFFECT.*—The term ‘amortization schedule then in effect’ means, with respect to an adjustable rate mortgage, a schedule established at the time at which the residential mortgage transaction is consummated or, if such schedule has been changed or recalculated, is the most recent schedule under the terms of the note or mortgage, which shows—

“(A) the amount of principal and interest that is due at regular intervals to retire the principal balance and accrued interest over the remaining amortization period of the loan; and

“(B) the unpaid balance of the loan after each such scheduled payment is made.”; and

(2) in section 3(f)(1)(B)(ii), by striking “amortization schedules” and inserting “the amortization schedule then in effect”.

(b) *TREATMENT OF BALLOON MORTGAGES.*—Paragraph (1) of section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901(1)) is amended by adding at the end the following new sentence: “A residential mortgage

1 *that (A) does not fully amortize over the term of the obliga-*  
 2 *tion, and (B) contains a conditional right to refinance or*  
 3 *modify the unamortized principal at the maturity date of*  
 4 *the term, shall be considered to be an adjustable rate mort-*  
 5 *gage for purposes of this Act.”.*

6 *(c) TREATMENT OF LOAN MODIFICATIONS.—*

7 *(1) IN GENERAL.—Section 3 of the Homeowners*  
 8 *Protection Act of 1998 (12 U.S.C. 4902) is*  
 9 *amended—*

10 *(A) by redesignating subsections (d) through*  
 11 *(f) as subsections (e) through (g), respectively;*  
 12 *and*

13 *(B) by inserting after subsection (c) the fol-*  
 14 *lowing new subsection:*

15 *“(d) TREATMENT OF LOAN MODIFICATIONS.—If a*  
 16 *mortgagor and mortgagee (or holder of the mortgage) agree*  
 17 *to a modification of the terms or conditions of a loan pursu-*  
 18 *ant to a residential mortgage transaction, the cancellation*  
 19 *date, termination date, or final termination shall be recal-*  
 20 *culated to reflect the modified terms and conditions of such*  
 21 *loan.”.*

22 *(2) CONFORMING AMENDMENTS.—Section 4(a) of*  
 23 *the Homeowners Protection Act of 1998 (12 U.S.C.*  
 24 *4903(a)) is amended—*

25 *(A) in paragraph (1)—*

1                   (i) in the matter preceding subpara-  
 2                   graph (A), by striking “section 3(f)(1)” and  
 3                   inserting “section 3(g)(1)”;

4                   (ii) in subparagraph (A)(ii)(IV), by  
 5                   striking “section 3(f)” and inserting “sec-  
 6                   tion 3(g)”;

7                   (iii) in subparagraph (B)(iii), by  
 8                   striking “section 3(f)” and inserting “sec-  
 9                   tion 3(g)”;

10                  (B) in paragraph (2), by striking “section  
 11                  3(f)(1)” and inserting “section 3(g)(1)”.

12 **SEC. 903. DELETION OF AMBIGUOUS REFERENCES TO RESI-**  
 13 **DENTIAL MORTGAGES.**

14                  (a) *TERMINATION OF PRIVATE MORTGAGE INSUR-*  
 15 *ANCE.*—Section 3 of the Homeowners Protection Act of 1998  
 16 (12 U.S.C. 4902) is amended—

17                  (1) in subsection (c), by inserting “on residential  
 18                  mortgage transactions” after “imposed”; and

19                  (2) in subsection (g) (as so redesignated by sec-  
 20                  tion 902(c)(1)(A) of this title)—

21                  (A) in paragraph (1), in the matter pre-  
 22                  ceding subparagraph (A), by striking “mortgage  
 23                  or”;

24                  (B) in paragraph (2), by striking “mort-  
 25                  gage or”; and

1                   (C) in paragraph (3), by striking “mort-  
 2                   gage or” and inserting “residential mortgage or  
 3                   residential”.

4           (b) *DISCLOSURE REQUIREMENTS.*—Section 4 of the  
 5 *Homeowners Protection Act of 1998* (12 U.S.C. 4903(a))  
 6 is amended—

7                   (1) in subsection (a)—

8                   (A) in paragraph (1)—

9                   (i) by striking “mortgage or” the first  
 10                   place it appears; and

11                   (ii) by striking “mortgage or” the sec-  
 12                   ond place it appears and inserting “resi-  
 13                   dential”; and

14                   (B) in paragraph (2), by striking “mort-  
 15                   gage or” and inserting “residential”;

16                   (2) in subsection (c), by striking “paragraphs  
 17                   (1)(B) and (3) of subsection (a)” and inserting “sub-  
 18                   section (a)(3)”; and

19                   (3) in subsection (d), by inserting before the pe-  
 20                   riod at the end the following: “, which disclosures  
 21                   shall relate to the mortgagor’s rights under this Act”.

22           (c) *DISCLOSURE REQUIREMENTS FOR LENDER-PAID*  
 23 *MORTGAGE INSURANCE.*—Section 6 of the *Homeowners*  
 24 *Protection Act of 1998* (12 U.S.C. 4905) is amended—

25                   (1) in subsection (c)—

1           (A) in the matter preceding paragraph (1),  
 2           by striking “a residential mortgage or”; and  
 3           (B) in paragraph (2), by inserting “trans-  
 4           action” after “residential mortgage”; and  
 5           (2) in subsection (d), by inserting “transaction”  
 6           after “residential mortgage”.

7   **SEC. 904. CANCELLATION RIGHTS AFTER CANCELLATION**  
 8           **DATE.**

9           Section 3 of the Homeowners Protection Act of 1998  
 10          (12 U.S.C. 4902) is amended—

11           (1) in subsection (a)—

12           (A) in the matter preceding paragraph (1),  
 13           by inserting after “cancellation date” the fol-  
 14           lowing: “or any later date that the mortgagor  
 15           fulfills all of the requirements under paragraphs  
 16           (1) through (4)”;

17           (B) in paragraph (2), by striking “and” at  
 18           the end;

19           (C) by redesignating paragraph (3) as  
 20           paragraph (4); and

21           (D) by inserting after paragraph (2) the fol-  
 22           lowing new paragraph:

23           “(3) is current on the payments required by the  
 24           terms of the residential mortgage transaction; and”;  
 25           and

1           (2) in subsection (e)(1)(B) (as so redesignated by  
 2           section 902(c)(1)(A) of this title), by striking “sub-  
 3           section (a)(3)” and inserting “subsection (a)(4)”.

4 **SEC. 905. CLARIFICATION OF CANCELLATION AND TERMI-**  
 5 **NATION ISSUES AND LENDER PAID MORT-**  
 6 **GAGE INSURANCE DISCLOSURE REQUIRE-**  
 7 **MENTS.**

8           (a) *GOOD PAYMENT HISTORY*.—Section 2(4) of the  
 9 *Homeowners Protection Act of 1998* (12 U.S.C. 4901(4))  
 10 is amended—

11           (1) in subparagraph (A)—

12                   (A) by inserting “the later of (i)” before  
 13 “the date”; and

14                   (ii) by inserting “, or (ii) the date that  
 15 the mortgagor submits a request for can-  
 16 cellation under section 3(a)(1)” before the  
 17 semicolon; and

18           (B) in subparagraph (B)—

19                   (i) by inserting “the later of (i)” before  
 20 “the date”; and

21                   (ii) by inserting “, or (ii) the date that  
 22 the mortgagor submits a request for can-  
 23 cellation under section 3(a)(1)” before the  
 24 period at the end.

1       (b) *AUTOMATIC TERMINATION.*—Paragraph (2) of sec-  
 2       tion 3(b) of the Homeowners Protection Act of 1998 (12  
 3       U.S.C. 4902(b)(2)) is amended to read as follows:

4               “(2) if the mortgagor is not current on the termi-  
 5       nation date, on the first day of the first month begin-  
 6       ning after the date that the mortgagor becomes cur-  
 7       rent on the payments required by the terms of the res-  
 8       idential mortgage transaction.”

9       (c) *PREMIUM PAYMENTS.*—Section 3 of the Home-  
 10       owners Protection Act of 1998 (12 U.S.C. 4902) is amended  
 11       by adding at the end the following new subsection:

12               “(h) *ACCRUED OBLIGATION FOR PREMIUM PAY-*  
 13       *MENTS.*—The cancellation or termination under this section  
 14       of the private mortgage insurance of a mortgagor shall not  
 15       affect the rights of any mortgagee, servicer, or mortgage in-  
 16       surer to enforce any obligation of such mortgagor for pre-  
 17       mium payments accrued prior to the date on which such  
 18       cancellation or termination occurred.”.

19       **SEC. 906. DEFINITIONS.**

20       (a) *REFINANCED.*—Section 6(c)(1)(B)(ii) of the Home-  
 21       owners Protection Act of 1998 (12 U.S.C. 4905(c)(1)(B)(ii))  
 22       is amended by inserting after “refinanced” the following:  
 23       “(under the meaning given such term in the regulations  
 24       issued by the Board of Governors of the Federal Reserve

1 *System to carry out the Truth in Lending Act (15 U.S.C.*  
 2 *1601 et seq.))”.*

3 (b) *MIDPOINT OF THE AMORTIZATION PERIOD.*—Sec-  
 4 *tion 2 of the Homeowners Protection Act of 1998 (12 U.S.C.*  
 5 *4901) is amended by inserting after paragraph (6) (as*  
 6 *added by section 902(a)(1)(D) of this Act) the following new*  
 7 *paragraph:*

8 “(7) *MIDPOINT OF THE AMORTIZATION PE-*  
 9 *RIOD.*—The term ‘midpoint of the amortization pe-  
 10 *riod’ means, with respect to a residential mortgage*  
 11 *transaction, the point in time that is halfway through*  
 12 *the period that begins upon the first day of the amor-*  
 13 *tization period established at the time a residential*  
 14 *mortgage transaction is consummated and ends upon*  
 15 *the completion of the entire period over which the*  
 16 *mortgage is scheduled to be amortized.”.*

17 (c) *ORIGINAL VALUE.*—Section 2(12) of the Home-  
 18 *owners Protection Act of 1998 (12 U.S.C. 4901(10)) (as so*  
 19 *redesignated by section 902(a)(1)(C) of this Act) is*  
 20 *amended—*

21 (1) *by inserting “transaction” after “a residen-*  
 22 *tial mortgage”; and*

23 (2) *by adding at the end the following new sen-*  
 24 *tence: “In the case of a residential mortgage trans-*  
 25 *action for refinancing the principal residence of the*



1       mortgagor, such term means only the appraised value  
 2       relied upon by the mortgagee to approve the refinance  
 3       transaction.”.

4       (d) *PRINCIPAL RESIDENCE*.—Section 2 of the Home-  
 5       owners Protection Act of 1998 (12 U.S.C. 4901) is  
 6       amended—

7               (1) in paragraph (14) (as so redesignated by sec-  
 8       tion 902(a)(1)(C) of this Act) by striking “primary”  
 9       and inserting “principal”; and

10              (2) in paragraph (15) (as so redesignated by sec-  
 11       tion 902(a)(1)(C) of this Act) by striking “primary”  
 12       and inserting “principal”;

13       ***TITLE X—RURAL HOUSING***  
 14       ***HOMEOWNERSHIP***

15       ***SEC. 1001. PROMISSORY NOTE REQUIREMENT UNDER***  
 16       ***HOUSING REPAIR LOAN PROGRAM.***

17       The fourth sentence of section 504(a) of the Housing  
 18       Act of 1949 (42 U.S.C. 1474(a)) is amended by striking  
 19       “\$2,500” and inserting “\$7,500”.

20       ***SEC. 1002. LIMITED PARTNERSHIP ELIGIBILITY FOR FARM***  
 21       ***LABOR HOUSING LOANS.***

22       The first sentence of section 514(a) of the Housing Act  
 23       of 1949 (42 U.S.C. 1484(a)) is amended by striking “non-  
 24       profit limited partnership” and inserting “limited partner-  
 25       ship”.

1 **SEC. 1003. PROJECT ACCOUNTING RECORDS AND PRAC-**  
2 **TICES.**

3 *Section 515 of the Housing Act of 1949 (42 U.S.C.*  
4 *1485) is amended by striking subsection (z) and inserting*  
5 *the following new subsections:*

6 “(z) *ACCOUNTING AND RECORDKEEPING REQUIRE-*  
7 *MENTS.—*

8 “(1) *ACCOUNTING STANDARDS.—The Secretary*  
9 *shall require that borrowers in programs authorized*  
10 *by this section maintain accounting records in ac-*  
11 *cordance with generally accepted accounting prin-*  
12 *ciples for all projects that receive funds from loans*  
13 *made or guaranteed by the Secretary under this sec-*  
14 *tion.*

15 “(2) *RECORD RETENTION REQUIREMENTS.—The*  
16 *Secretary shall require that borrowers in programs*  
17 *authorized by this section retain for a period of not*  
18 *less than 6 years and make available to the Secretary*  
19 *in a manner determined by the Secretary, all records*  
20 *required to be maintained under this subsection and*  
21 *other records identified by the Secretary in applicable*  
22 *regulations.*

23 “(aa) *DOUBLE DAMAGES FOR UNAUTHORIZED USE OF*  
24 *HOUSING PROJECTS ASSETS AND INCOME.—*

25 “(1) *ACTION TO RECOVER ASSETS OR INCOME.—*

1           “(A) *IN GENERAL.*—*The Secretary may re-*  
2           *quest the Attorney General to bring an action in*  
3           *a United States district court to recover any as-*  
4           *sets or income used by any person in violation*  
5           *of the provisions of a loan made or guaranteed*  
6           *by the Secretary under this section or in viola-*  
7           *tion of any applicable statute or regulation.*

8           “(B) *IMPROPER DOCUMENTATION.*—*For*  
9           *purposes of this subsection, a use of assets or in-*  
10          *come in violation of the applicable loan, loan*  
11          *guarantee, statute, or regulation shall include*  
12          *any use for which the documentation in the*  
13          *books and accounts does not establish that the use*  
14          *was made for a reasonable operating expense or*  
15          *necessary repair of the project or for which the*  
16          *documentation has not been maintained in ac-*  
17          *cordance with the requirements of the Secretary*  
18          *and in reasonable condition for proper audit.*

19          “(C) *DEFINITION.*—*For the purposes of this*  
20          *subsection, the term ‘person’ means—*

21               “(i) *any individual or entity that bor-*  
22               *rows funds in accordance with programs*  
23               *authorized by this section;*

24               “(ii) *any individual or entity holding*  
25               *25 percent or more interest of any entity*

1           *that borrows funds in accordance with pro-*  
 2           *grams authorized by this section; and*

3           “(iii) *any officer, director, or partner*  
 4           *of an entity that borrows funds in accord-*  
 5           *ance with programs authorized by this sec-*  
 6           *tion.*

7           “(2) *AMOUNT RECOVERABLE.—*

8           “(A) *IN GENERAL.—In any judgment favor-*  
 9           *able to the United States entered under this sub-*  
 10          *section, the Attorney General may recover double*  
 11          *the value of the assets and income of the project*  
 12          *that the court determines to have been used in*  
 13          *violation of the provisions of a loan made or*  
 14          *guaranteed by the Secretary under this section or*  
 15          *any applicable statute or regulation, plus all*  
 16          *costs related to the action, including reasonable*  
 17          *attorney and auditing fees.*

18          “(B)    *APPLICATION       OF       RECOVERED*  
 19          *FUNDS.—Notwithstanding any other provision of*  
 20          *law, the Secretary may use amounts recovered*  
 21          *under this subsection for activities authorized*  
 22          *under this section and such funds shall remain*  
 23          *available for such use until expended.*

24          “(3) *TIME LIMITATION.—Notwithstanding any*  
 25          *other provision of law, an action under this sub-*

1        *section may be commenced at any time during the 6-*  
 2        *year period beginning on the date that the Secretary*  
 3        *discovered or should have discovered the violation of*  
 4        *the provisions of this section or any related statutes*  
 5        *or regulations.*

6                *“(4) CONTINUED AVAILABILITY OF OTHER REM-*  
 7        *EDIES.—The remedy provided in this subsection is in*  
 8        *addition to and not in substitution of any other rem-*  
 9        *edies available to the Secretary or the United*  
 10       *States.”.*

11    **SEC. 1004. DEFINITION OF RURAL AREA.**

12        *The second sentence of section 520 of the Housing Act*  
 13        *of 1949 (42 U.S.C. 1490) is amended by striking “year*  
 14        *2000” and inserting “year 2010”.*

15    **SEC. 1005. OPERATING ASSISTANCE FOR MIGRANT FARM-**  
 16                **WORKERS PROJECTS.**

17        *The last sentence of section 521(a)(5)(A) of the Hous-*  
 18        *ing Act of 1949 (42 U.S.C. 1490a(a)(5)(A)) is amended by*  
 19        *striking “project” and inserting “tenant or unit”.*

20    **SEC. 1006. MULTIFAMILY RENTAL HOUSING LOAN GUAR-**  
 21                **ANTEE PROGRAM.**

22        *Section 538 of the Housing Act of 1949 (42 U.S.C.*  
 23        *1490p-2) is amended—*

24                *(1) in subsection (c), by inserting “an Indian or-*  
 25        *ganization,” after “thereof,”;*

1           (2) in subsection (f), by striking paragraph (1)  
2           and inserting the following new paragraph:

3           “(1) be made for a period of not less than 25 nor  
4           greater than 40 years from the date the loan was  
5           made and may provide for amortization of the loan  
6           over a period of not to exceed 40 years with a final  
7           payment of the balance due at the end of the loan  
8           term;”;

9           (3) in subsection (i)(2), by striking “(A) convey-  
10          ance to the Secretary” and all that follows through  
11          “(C) assignment” and inserting “(A) submission to  
12          the Secretary of a claim for payment under the guar-  
13          antee, and (B) assignment”;

14          (4) in subsection (s), by adding at the end the  
15          following new subsection:

16          “(4) INDIAN ORGANIZATION.—The term ‘Indian  
17          organization’ means the governing body of an Indian  
18          tribe, band, group, pueblo, or community, including  
19          native villages or native groups, as defined by the  
20          Alaska Claims Settlement Act (43 U.S.C. 1601 et  
21          seq.), (including corporations organized by the Kenai,  
22          Juneau, Sitka, and Kodiak) which is eligible for serv-  
23          ices from the Bureau of Indian Affairs or an entity  
24          established or recognized by the governing body for the  
25          purpose of financing economic development.”;

1           (5) *in subsection (t), by inserting before the pe-*  
 2           *riod at the end the following: “to provide guarantees*  
 3           *under this section for eligible loans having an aggre-*  
 4           *gate principal amount of \$500,000,000”;*

5           (6) *by striking subsection (l);*

6           (7) *by redesignating subsections (m) through (u)*  
 7           *as subsections (l) through (t), respectively;*

8           (8) *by adding at the end the following new sub-*  
 9           *sections:*

10          “(u) *FEE AUTHORITY.—*

11           *“(1) IN GENERAL.—Any amounts collected by the*  
 12           *Secretary pursuant to the fees charged to lenders for*  
 13           *loan guarantees issued under this section shall be used*  
 14           *to offset costs (as defined by section 502 of the Con-*  
 15           *gressional Budget Act of 1974 (2 U.S.C. 661a)) of*  
 16           *loan guarantees made under this section.*

17           *“(2) EXCESS FUNDS.—Any fees described in*  
 18           *paragraph (1) collected in excess of the amount re-*  
 19           *quired in paragraph (1) during a fiscal year, shall be*  
 20           *available to the Secretary, without further appropria-*  
 21           *tion and without fiscal year limitation, for use by the*  
 22           *Secretary for costs of administering (including moni-*  
 23           *toring) program activities authorized pursuant to this*  
 24           *section and shall be in addition to other funds made*  
 25           *available for this purpose.*

1       “(v) *DEFAULTS OF LOANS SECURED BY RESERVATION*  
2 *LANDS.*—*In the event of a default involving a loan to an*  
3 *Indian tribe or tribal corporation made under this section*  
4 *which is secured by an interest in land within such tribe’s*  
5 *reservation (as determined by the Secretary of the Interior),*  
6 *including a community in Alaska incorporated by the Sec-*  
7 *retary of the Interior pursuant to the Indian Reorganiza-*  
8 *tion Act (25 U.S.C. 461 et seq.), the lender shall only pursue*  
9 *liquidation after offering to transfer the account to an eligi-*  
10 *ble tribal member, the tribe, or the Indian housing author-*  
11 *ity serving the tribe. If the lender subsequently proceeds to*  
12 *liquidate the account, the lender shall not sell, transfer, or*  
13 *otherwise dispose of or alienate the property except to one*  
14 *of the entities described in the preceding sentence.”.*

15 **SEC. 1007. ENFORCEMENT PROVISIONS.**

16       “(a) *IN GENERAL.*—*Title V of the Housing Act of 1949*  
17 *(42 U.S.C. 1471 et seq.) is amended by adding after section*  
18 *542 the following:*

19 **“SEC. 543. ENFORCEMENT PROVISIONS.**

20       “(a) *EQUITY SKIMMING.*—

21               “(1) *CRIMINAL PENALTY.*—*Whoever, as an*  
22 *owner, agent, employee, or manager, or is otherwise*  
23 *in custody, control, or possession of property that is*  
24 *security for a loan made or guaranteed under this*  
25 *title, willfully uses, or authorizes the use, of any part*



1     *of the rents, assets, proceeds, income, or other funds*  
2     *derived from such property, for any purpose other*  
3     *than to meet actual, reasonable, and necessary ex-*  
4     *penditures of the property, or for any other purpose not*  
5     *authorized by this title or the regulations adopted*  
6     *pursuant to this title, shall be fined under title 18,*  
7     *United States Code, or imprisoned not more than 5*  
8     *years, or both.*

9             “(2) *CIVIL SANCTIONS.—An entity or individual*  
10     *who as an owner, operator, employee, or manager, or*  
11     *who acts as an agent for a property that is security*  
12     *for a loan made or guaranteed under this title where*  
13     *any part of the rents, assets, proceeds, income, or*  
14     *other funds derived from such property are used for*  
15     *any purpose other than to meet actual, reasonable,*  
16     *and necessary expenses of the property, or for any*  
17     *other purpose not authorized by this title or the regu-*  
18     *lations adopted pursuant to this title, shall be subject*  
19     *to a fine of not more than \$25,000 per violation. The*  
20     *sanctions provided in this paragraph may be imposed*  
21     *in addition to any other civil sanctions or civil mone-*  
22     *etary penalties authorized by law.*

23             “(b) *CIVIL MONETARY PENALTIES.—*

24             “(1) *IN GENERAL.—The Secretary may, after no-*  
25     *tice and opportunity for a hearing, impose a civil*

1        *monetary penalty in accordance with this subsection*  
2        *against any individual or entity, including its own-*  
3        *ers, officers, directors, general partners, limited part-*  
4        *ners, or employees, who knowingly and materially*  
5        *violate, or participate in the violation of, the provi-*  
6        *sions of this title, the regulations issued by the Sec-*  
7        *retary pursuant to this title, or agreements made in*  
8        *accordance with this title, by—*

9                *“(A) submitting information to the Sec-*  
10              *retary that is false;*

11              *“(B) providing the Secretary with false cer-*  
12              *tifications;*

13              *“(C) failing to submit information re-*  
14              *quested by the Secretary in a timely manner;*

15              *“(D) failing to maintain the property sub-*  
16              *ject to loans made or guaranteed under this title*  
17              *in good repair and condition, as determined by*  
18              *the Secretary;*

19              *“(E) failing to provide management for a*  
20              *project which received a loan made or guaran-*  
21              *teed under this title that is acceptable to the Sec-*  
22              *retary; or*

23              *“(F) failing to comply with the provisions*  
24              *of applicable civil rights statutes and regula-*  
25              *tions.*

1           “(2) *CONDITIONS FOR RENEWAL OR EXTEN-*  
 2           *SION.—The Secretary may require that expiring loan*  
 3           *or assistance agreements entered into under this title*  
 4           *shall not be renewed or extended unless the owner exe-*  
 5           *cutes an agreement to comply with additional condi-*  
 6           *tions prescribed by the Secretary, or executes a new*  
 7           *loan or assistance agreement in the form prescribed*  
 8           *by the Secretary.*

9           “(3) *AMOUNT.—*

10           “(A) *IN GENERAL.—The amount of a civil*  
 11           *monetary penalty imposed under this subsection*  
 12           *shall not exceed the greater of—*

13                   “(i) *twice the damages the Department*  
 14                   *of Agriculture, the guaranteed lender, or the*  
 15                   *project that is secured for a loan under this*  
 16                   *section suffered or would have suffered as a*  
 17                   *result of the violation; or*

18                   “(ii) *\$50,000 per violation.*

19           “(B) *DETERMINATION.—In determining the*  
 20           *amount of a civil monetary penalty under this*  
 21           *subsection, the Secretary shall take into*  
 22           *consideration—*

23                   “(i) *the gravity of the offense;*

1                   “(ii) any history of prior offenses by  
2                   the violator (including offenses occurring  
3                   prior to the enactment of this section);

4                   “(iii) the ability of the violator to pay  
5                   the penalty;

6                   “(iv) any injury to tenants;

7                   “(v) any injury to the public;

8                   “(vi) any benefits received by the viola-  
9                   tor as a result of the violation;

10                  “(vii) deterrence of future violations;

11                  and

12                  “(viii) such other factors as the Sec-  
13                  retary may establish by regulation.

14                  “(4) *PAYMENT OF PENALTIES.*—No payment of a  
15                  penalty assessed under this section may be made from  
16                  funds provided under this title or from funds of a  
17                  project which serve as security for a loan made or  
18                  guaranteed under this title.

19                  “(5) *REMEDIES FOR NONCOMPLIANCE.*—

20                  “(A) *JUDICIAL INTERVENTION.*—If a person  
21                  or entity fails to comply with a final determina-  
22                  tion by the Secretary imposing a civil monetary  
23                  penalty under this subsection, the Secretary may  
24                  request the Attorney General of the United States  
25                  to bring an action in an appropriate United

1       *States district court to obtain a monetary judg-*  
 2       *ment against such individual or entity and such*  
 3       *other relief as may be available. The monetary*  
 4       *judgment may, in the court's discretion, include*  
 5       *the attorney's fees and other expenses incurred by*  
 6       *the United States in connection with the action.*

7               “(B)   *REVIEWABILITY   OF   DETERMINA-*  
 8       *TION.—In an action under this paragraph, the*  
 9       *validity and appropriateness of a determination*  
 10       *by the Secretary imposing the penalty shall not*  
 11       *be subject to review.”.*

12       (b) *CONFORMING AMENDMENT.—Section 514 of the*  
 13       *Housing Act of 1949 (42 U.S.C. 1484) is amended by strik-*  
 14       *ing subsection (j).*

15   **SEC. 1008. AMENDMENTS TO TITLE 18 OF UNITED STATES**  
 16       **CODE.**

17       (a) *MONEY LAUNDERING.—Section 1956(c)(7)(D) of*  
 18       *title 18, United States Code, is amended by inserting “any*  
 19       *violation of section 543(a)(1) of the Housing Act of 1949*  
 20       *(relating to equity skimming),” after “coupons having a*  
 21       *value of not less than \$5,000,”.*

22       (b) *OBSTRUCTION OF FEDERAL AUDITS.—Section*  
 23       *1516(a) of title 18, United States Code, is amended by in-*  
 24       *serting “or relating to any property that is security for a*

1 *loan that is made or guaranteed under title V of the Hous-*  
 2 *ing Act of 1949,” before “shall be fined under this title”.*

## 3 **TITLE XI—MANUFACTURED** 4 **HOUSING IMPROVEMENT**

### 5 **SEC. 1101. SHORT TITLE AND REFERENCES.**

6 (a) *SHORT TITLE.*—*This title may be cited as the*  
 7 *“Manufactured Housing Improvement Act”.*

8 (b) *REFERENCES.*—*Whenever in this title an amend-*  
 9 *ment is expressed in terms of an amendment to, or repeal*  
 10 *of, an Act, a section, or any other provision, the reference*  
 11 *shall be considered to be made to that section or other provi-*  
 12 *sion of the National Manufactured Housing Construction*  
 13 *and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).*

### 14 **SEC. 1102. FINDINGS AND PURPOSES.**

15 *Section 602 (42 U.S.C. 5401) is amended to read as*  
 16 *follows:*

#### 17 **“FINDINGS AND PURPOSES**

18 **“SEC. 602. (a) FINDINGS.**—*The Congress finds that—*

19 *“(1) manufactured housing plays a vital role in*  
 20 *meeting the housing needs of the Nation; and*

21 *“(2) manufactured homes provide a significant*  
 22 *resource for affordable homeownership and rental*  
 23 *housing accessible to all Americans.*

24 **“(b) PURPOSES.**—*The purposes of this title are—*

25 *“(1) to facilitate the acceptance of the quality,*  
 26 *durability, safety, and affordability of manufactured*

1       *housing within the Department of Housing and*  
2       *Urban Development;*

3               “(2) to facilitate the availability of affordable  
4       *manufactured homes and to increase homeownership*  
5       *for all Americans;*

6               “(3) to provide for the establishment of practical,  
7       *uniform, and, to the extent possible, performance-*  
8       *based Federal construction standards;*

9               “(4) to encourage innovative and cost-effective  
10       *construction techniques;*

11               “(5) to protect owners of manufactured homes  
12       *from unreasonable risk of personal injury and prop-*  
13       *erty damage;*

14               “(6) to establish a balanced consensus process for  
15       *the development, revision, and interpretation of Fed-*  
16       *eral construction and safety standards for manufac-*  
17       *tured homes and related regulations for the enforce-*  
18       *ment of such standards;*

19               “(7) to ensure uniform and effective enforcement  
20       *of Federal construction and safety standards for man-*  
21       *ufactured homes; and*

22               “(8) to ensure that the public interest in, and  
23       *need for, affordable manufactured housing is duly*  
24       *considered in all determinations relating to the Fed-*  
25       *eral standards and their enforcement.”.*

1 **SEC. 1103. DEFINITIONS.**

2 (a) *IN GENERAL.*—Section 603 (42 U.S.C. 5402) is  
3 amended—

4 (1) in paragraph (2), by striking “dealer” and  
5 inserting “retailer”;

6 (2) in paragraph (12), by striking “and” at the  
7 end;

8 (3) in paragraph (13), by striking the period at  
9 the end and inserting a semicolon; and

10 (4) by adding at the end the following new para-  
11 graphs:

12 “(14) ‘administering organization’ means the  
13 recognized, voluntary, private sector, consensus stand-  
14 ards body with specific experience in developing  
15 model residential building codes and standards in-  
16 volving all disciplines regarding construction and  
17 safety that administers the consensus standards devel-  
18 opment process;

19 “(15) ‘consensus committee’ means the committee  
20 established under section 604(a)(3);

21 “(16) ‘consensus standards development process’  
22 means the process by which additions, revisions, and  
23 interpretations to the Federal manufactured home  
24 construction and safety standards and enforcement  
25 regulations shall be developed and recommended to the  
26 Secretary by the consensus committee;



1           “(17) ‘primary inspection agency’ means a State  
2           agency or private organization that has been ap-  
3           proved by the Secretary to act as a design approval  
4           primary inspection agency or a production inspection  
5           primary inspection agency, or both;

6           “(18) ‘design approval primary inspection agen-  
7           cy’ means a State agency or private organization that  
8           has been approved by the Secretary to evaluate and  
9           either approve or disapprove manufactured home de-  
10          signs and quality control procedures;

11          “(19) ‘production inspection primary inspection  
12          agency’ means a State agency or private organization  
13          that has been approved by the Secretary to evaluate  
14          the ability of manufactured home manufacturing  
15          plants to comply with approved quality control proce-  
16          dures and with the Federal manufactured home con-  
17          struction and safety standards promulgated here-  
18          under;

19          “(20) ‘installation standards’ means reasonable  
20          specifications for the installation of a manufactured  
21          home, at the place of occupancy, to ensure proper  
22          siting, the joining of all sections of the home, and the  
23          installation of stabilization, support, or anchoring  
24          systems; and

25          “(21) ‘monitoring’—

1           “(A) means the process of periodic review of  
 2           the primary inspection agencies, by the Sec-  
 3           retary or by a State agency under an approved  
 4           State plan pursuant to section 623, in accord-  
 5           ance with regulations recommended by the con-  
 6           sensus committee and promulgated in accordance  
 7           with section 604(b), which process shall be for  
 8           the purpose of ensuring that the primary inspec-  
 9           tion agencies are discharging their duties under  
 10          this title; and

11           “(B) may include the periodic inspection of  
 12          retail locations for transit damage, label tam-  
 13          pering, and retailer compliance with this title.”.

14          (b) CONFORMING AMENDMENTS.—The Act is  
 15          amended—

16           (1) in section 613 (42 U.S.C. 5412), by striking  
 17          “dealer” each place it appears and inserting “re-  
 18          tailer”;

19           (2) in section 614(f) (42 U.S.C. 5413(f)), by  
 20          striking “dealer” each place it appears and inserting  
 21          “retailer”;

22           (3) in section 615 (42 U.S.C. 5414)—

23           (A) in subsection (b)(1), by striking “deal-  
 24          er” and inserting “retailer”;

1           (B) in subsection (b)(3), by striking “dealer  
2           or dealers” and inserting “retailer or retailers”;  
3           and

4           (C) in subsections (d) and (f), by striking  
5           “dealers” each place it appears and inserting  
6           “retailers”;

7           (4) in section 616 (42 U.S.C. 5415), by striking  
8           “dealer” and inserting “retailer”; and  
9           (5) in section 623(c)(9), by striking “dealers”  
10          and inserting “retailers”.

11 **SEC. 1104. FEDERAL MANUFACTURED HOME CONSTRUC-**  
12 **TION AND SAFETY STANDARDS.**

13          Section 604 (42 U.S.C. 5403) is amended—

14           (1) by striking subsections (a) and (b) and in-  
15          serting the following new subsections:

16          “(a) *ESTABLISHMENT.*—

17           “(1) *AUTHORITY.*—The Secretary shall establish,  
18          by order, appropriate Federal manufactured home  
19          construction and safety standards, each of which—

20           “(A) shall—

21           “(i) be reasonable and practical;

22           “(ii) meet high standards of protection  
23          consistent with the enumerated purposes of  
24          this title; and

1                   “(iii) where appropriate, be perform-  
2                   ance-based and objectively stated; and

3                   “(B) except as provided in subsection (b),  
4                   shall be established in accordance with the con-  
5                   sensus standards development process.

6                   “(2) CONSENSUS STANDARDS AND REGULATORY  
7                   DEVELOPMENT PROCESS.—

8                   “(A) INITIAL AGREEMENT.—Not later than  
9                   180 days after the date of enactment of the Man-  
10                  ufactured Housing Improvement Act, the Sec-  
11                  retary shall enter into a contract with an ad-  
12                  ministering organization. The contractual agree-  
13                  ment shall—

14                   “(i) terminate on the date on which a  
15                   contract is entered into under subparagraph  
16                   (B); and

17                   “(ii) require the administering organi-  
18                   zation to—

19                   “(I) appoint the initial members  
20                   of the consensus committee under para-  
21                   graph (3);

22                   “(II) administer the consensus  
23                   standards development process until  
24                   the termination of that agreement; and

1                   “(III) administer the consensus  
2                   development and interpretation process  
3                   for procedural and enforcement regula-  
4                   tions and regulations specifying the  
5                   permissible scope and conduct of moni-  
6                   toring until the termination of that  
7                   agreement.

8                   “(B) COMPETITIVELY PROCURED CON-  
9                   TRACT.—Upon the expiration of the 4-year pe-  
10                  riod beginning on the date on which all members  
11                  of the consensus committee are appointed under  
12                  paragraph (3), the Secretary shall, using com-  
13                  petitive procedures (as such term is defined in  
14                  section 4 of the Office of Federal Procurement  
15                  Policy Act), enter into a competitively awarded  
16                  contract with an administering organization.  
17                  The administering organization shall administer  
18                  the consensus process for the development and in-  
19                  terpretation of the Federal standards, the proce-  
20                  dural and enforcement regulations and regula-  
21                  tions specifying the permissible scope and con-  
22                  duct of monitoring in accordance with this title.

23                  “(C) PERFORMANCE REVIEW.—The  
24                  Secretary—

1           “(i) shall periodically review the per-  
2           formance of the administering organization;  
3           and

4           “(ii) may replace the administering  
5           organization with another qualified tech-  
6           nical or building code organization, pursu-  
7           ant to competitive procedures, if the Sec-  
8           retary determines in writing that the ad-  
9           ministering organization is not fulfilling  
10          the terms of the agreement or contract to  
11          which the administering organization is  
12          subject or upon the expiration of the agree-  
13          ment or contract.

14          “(3) CONSENSUS COMMITTEE.—

15               “(A) PURPOSE.—There is established a  
16               committee to be known as the ‘consensus com-  
17               mittee’, which shall, in accordance with this  
18               title—

19               “(i) provide periodic recommendations  
20               to the Secretary to adopt, revise, and inter-  
21               pret the Federal manufactured housing con-  
22               struction and safety standards in accord-  
23               ance with this subsection;

24               “(ii) provide periodic recommendations  
25               to the Secretary to adopt, revise, and inter-

1           pret the procedural and enforcement regula-  
2           tions, including regulations specifying the  
3           permissible scope and conduct of monitoring  
4           in accordance with this subsection; and

5           “(iii) be organized and carry out its  
6           business in a manner that guarantees a fair  
7           opportunity for the expression and consider-  
8           ation of various positions and for public  
9           participation.

10          “(B) *MEMBERSHIP.*—The consensus com-  
11          mittee shall be composed of—

12               “(i) 21 voting members appointed, sub-  
13               ject to approval by the Secretary, by the ad-  
14               ministering organization from among indi-  
15               viduals who are qualified by background  
16               and experience to participate in the work of  
17               the consensus committee; and

18               “(ii) 1 member appointed by the Sec-  
19               retary to represent the Secretary on the con-  
20               sensus committee, who shall be a nonvoting  
21               member.

22          “(C) *DISAPPROVAL.*—The Secretary may  
23          disapprove, in writing with the reasons set forth,  
24          the appointment of an individual under sub-  
25          paragraph (B)(i).

1           “(D) *SELECTION PROCEDURES AND RE-*  
 2           *QUIREMENTS.—Each member shall be appointed*  
 3           *in accordance with the selection procedures,*  
 4           *which shall be established by the Secretary and*  
 5           *which shall be based on the procedures for con-*  
 6           *sensus committees promulgated by the American*  
 7           *National Standards Institute (or successor orga-*  
 8           *nization), to ensure equal representation on the*  
 9           *consensus committee of the following interest cat-*  
 10          *egories:*

11                   “(i) *PRODUCERS.—7 producers or re-*  
 12                   *tailers of manufactured housing.*

13                   “(ii) *USERS.—7 persons representing*  
 14                   *consumer interests, such as consumer orga-*  
 15                   *nizations, recognized consumer leaders, and*  
 16                   *owners who are residents of manufactured*  
 17                   *homes.*

18                   “(iii) *GENERAL INTEREST AND PUBLIC*  
 19                   *OFFICIALS.—7 general interest and public*  
 20                   *official members.*

21           “(E) *BALANCING OF INTERESTS.—*

22                   “(i) *IN GENERAL.—In order to achieve*  
 23                   *a proper balance of interests on the con-*  
 24                   *sensus committee—*



1           “(I) the administering organiza-  
 2           tion in its appointments shall ensure  
 3           that all directly and materially af-  
 4           fected interests have the opportunity  
 5           for fair and equitable participation  
 6           without dominance by any single in-  
 7           terest; and

8           “(II) the Secretary may reject the  
 9           appointment of any 1 or more individ-  
 10          uals in order to ensure that there is  
 11          not dominance by any single interest.

12          “(ii) *DOMINANCE DEFINED.*—In this  
 13          subparagraph, the term ‘dominance’ means  
 14          a position or exercise of dominant author-  
 15          ity, leadership, or influence by reason of su-  
 16          perior leverage, strength, or representation.

17          “(F) *ADDITIONAL QUALIFICATIONS.*—

18          “(i) *FINANCIAL INDEPENDENCE.*—No  
 19          individual appointed under subparagraph  
 20          (D)(ii) shall have, and 3 of individuals ap-  
 21          pointed under subparagraph (D)(iii) shall  
 22          not have—

23                 “(I) a significant financial inter-  
 24                 est in any segment of the manufac-  
 25                 tured housing industry; or

1                   “(II) *a significant relationship to*  
2                   *any person engaged in the manufac-*  
3                   *tured housing industry.*

4                   “(ii) *POST-EMPLOYMENT BAN.—An in-*  
5                   *dividual appointed under clause (ii) or (iii)*  
6                   *of subparagraph (D) shall be subject to a*  
7                   *ban disallowing compensation from the*  
8                   *manufactured housing industry during the*  
9                   *period of, and for the 1-year period after,*  
10                  *membership of that individual on the con-*  
11                  *sensus committee.*

12                  “(G) *MEETINGS.—*

13                  “(i) *NOTICE; OPEN TO PUBLIC.—The*  
14                  *consensus committee shall provide advance*  
15                  *notice of each meeting of the consensus com-*  
16                  *mittee to the Secretary and publish advance*  
17                  *notice of each such meeting in the Federal*  
18                  *Register. All meetings of the consensus com-*  
19                  *mittee shall be open to the public.*

20                  “(ii) *REIMBURSEMENT.—Members of*  
21                  *the consensus committee in attendance at*  
22                  *the meetings shall be reimbursed for their*  
23                  *actual expenses as authorized by section*  
24                  *5703 of title 5, United States Code, for per-*

1           sons employed intermittently in Govern-  
2           ment service.

3           “(H) *INAPPLICABILITY OF OTHER LAWS.*—

4                 “(i) *ADVISORY COMMITTEE ACT.*—The  
5           consensus committee shall not be considered  
6           to be an advisory committee for purposes of  
7           the *Federal Advisory Committee Act*.

8                 “(ii) *TITLE 18.*—The members of the  
9           consensus committee shall not be subject to  
10          section 203, 205, 207, or 208 of title 18,  
11          *United States Code*, to the extent of their  
12          proper participation as members of the con-  
13          sensus committee.

14                “(iii) *ETHICS IN GOVERNMENT ACT OF*  
15          1978.—The *Ethics in Government Act of*  
16          1978 shall not apply to members of the con-  
17          sensus committee to the extent of their prop-  
18          er participation as members of the con-  
19          sensus committee.

20                “(I) *ADMINISTRATION.*—The consensus com-  
21          mittee and the administering organization  
22          shall—

23                 “(i) operate in conformance with the  
24           procedures established by the *American Na-*  
25           tional Standards Institute for the develop-

1                   *ment and coordination of American Na-*  
2                   *tional Standards; and*

3                   “(ii) *apply to the American National*  
4                   *Standards Institute and take such other ac-*  
5                   *tions as may be necessary to obtain accredi-*  
6                   *tation from the American National Stand-*  
7                   *ards Institute.*

8                   “(J) *STAFF.—The administering organiza-*  
9                   *tion shall, upon the request of the consensus com-*  
10                  *mittee, provide reasonable staff resources to the*  
11                  *consensus committee. Upon a showing of need,*  
12                  *the Secretary shall furnish technical support to*  
13                  *any of the various interest categories on the con-*  
14                  *sensus committee.*

15                  “(K) *DATE OF INITIAL APPOINTMENTS.—*  
16                  *The initial appointments of all of the members*  
17                  *of the consensus committee shall be completed not*  
18                  *later than 90 days after the date on which an*  
19                  *administration agreement under paragraph*  
20                  *(2)(A) is completed with the administering orga-*  
21                  *nization.*

22                  “(4) *REVISIONS OF STANDARDS.—*

23                  “(A) *IN GENERAL.—Beginning on the date*  
24                  *on which all members of the consensus committee*  
25                  *are appointed under paragraph (3), the con-*

1       *sensus committee shall, not less than once during*  
2       *each 2-year period—*

3               “(i) *consider revisions to the Federal*  
4               *manufactured home construction and safety*  
5               *standards; and*

6               “(ii) *submit proposed revised stand-*  
7               *ards and regulations, if approved in a vote*  
8               *of the consensus committee by two-thirds of*  
9               *the members, to the Secretary in the form of*  
10              *a proposed rule, including an economic*  
11              *analysis.*

12              “(B) *PUBLICATION OF PROPOSED REVISED*  
13              *STANDARDS.—*

14              “(i) *PUBLICATION BY SECRETARY.—*  
15              *The consensus committee shall provide a*  
16              *proposed revised standard under subpara-*  
17              *graph (A)(ii) to the Secretary who shall, not*  
18              *later than 30 days after receipt, publish*  
19              *such proposed revised standard in the Fed-*  
20              *eral Register for notice and comment. Un-*  
21              *less clause (ii) applies, the Secretary shall*  
22              *provide an opportunity for public comment*  
23              *on such proposed revised standard and any*  
24              *such comments shall be submitted directly*  
25              *to the consensus committee without delay.*

1                   “(ii) *PUBLICATION OF REJECTED PRO-*  
2                   *POSED REVISED STANDARD.—If the Sec-*  
3                   *retary rejects the proposed revised standard,*  
4                   *the Secretary shall publish the rejected pro-*  
5                   *posed revised standard in the Federal Reg-*  
6                   *ister with the reasons for rejection and any*  
7                   *recommended modifications set forth.*

8                   “(C) *PRESENTATION OF PUBLIC COMMENTS;*  
9                   *PUBLICATION OF RECOMMENDED REVISIONS.—*

10                   “(i) *PRESENTATION.—Any public com-*  
11                   *ments, views, and objections to a proposed*  
12                   *revised standard published under subpara-*  
13                   *graph (B) shall be presented by the Sec-*  
14                   *retary to the consensus committee upon*  
15                   *their receipt and in the manner received, in*  
16                   *accordance with procedures established by*  
17                   *the American National Standards Institute.*

18                   “(ii) *PUBLICATION BY THE SEC-*  
19                   *RETARY.—The consensus committee shall*  
20                   *provide to the Secretary any revisions pro-*  
21                   *posed by the consensus committee, which the*  
22                   *Secretary shall, not later than 7 calendar*  
23                   *days after receipt, cause to be published in*  
24                   *the Federal Register as a notice of the rec-*  
25                   *ommended revisions of the consensus com-*

1            *mittee to the standard, a notice of the sub-*  
2            *mission of the recommended revisions to the*  
3            *Secretary, and a description of the cir-*  
4            *cumstances under which the proposed re-*  
5            *vised standards could become effective.*

6            “(iii) *PUBLICATION OF REJECTED PRO-*  
7            *POSED REVISED STANDARD.—If the Sec-*  
8            *retary rejects the proposed revised standard,*  
9            *the Secretary shall publish the rejected pro-*  
10           *posed revised standard in the Federal Reg-*  
11           *ister with the reasons for rejection and any*  
12           *recommended modifications set forth.*

13           “(5) *REVIEW BY THE SECRETARY.—*

14           “(A) *IN GENERAL.—The Secretary shall ei-*  
15           *ther adopt, modify, or reject a standard, as sub-*  
16           *mitted by the consensus committee under para-*  
17           *graph (4)(A).*

18           “(B) *TIMING.—Not later than 12 months*  
19           *after the date on which a standard is submitted*  
20           *to the Secretary by the consensus committee, the*  
21           *Secretary shall take action regarding such stand-*  
22           *ard under subparagraph (C).*

23           “(C) *PROCEDURES.—If the Secretary—*

1           “(i) adopts a standard recommended  
2           by the consensus committee, the Secretary  
3           shall—

4                   “(I) issue a final order without  
5                   further rulemaking; and

6                   “(II) cause the final order to be  
7                   published in the Federal Register;

8           “(ii) determines that any standard  
9           should be rejected, the Secretary shall—

10                   “(I) reject the standard; and

11                   “(II) cause to be published in the  
12                   Federal Register a notice to that effect,  
13                   together with the reason or reasons for  
14                   rejecting the proposed standard; or

15           “(iii) determines that a standard rec-  
16           ommended by the consensus committee  
17           should be modified, the Secretary shall—

18                   “(I) cause the proposed modified  
19                   standard to be published in the Federal  
20                   Register, together with an explanation  
21                   of the reason or reasons for the deter-  
22                   mination of the Secretary; and

23                   “(II) provide an opportunity for  
24                   public comment in accordance with



1                    *section 553 of title 5, United States*  
2                    *Code.*

3                    “(D) *FINAL ORDER.*—*Any final standard*  
4                    *under this paragraph shall become effective pur-*  
5                    *suant to subsection (c).*

6                    “(6) *FAILURE TO ACT.*—*If the Secretary fails to*  
7                    *take final action under paragraph (5) and to publish*  
8                    *notice of the action in the Federal Register before the*  
9                    *expiration of the 12-month period beginning on the*  
10                   *date on which the proposed standard is submitted to*  
11                   *the Secretary under paragraph (4)(A)—*

12                   “(A) *the recommendations of the consensus*  
13                   *committee—*

14                   “(i) *shall be considered to have been*  
15                   *adopted by the Secretary; and*

16                   “(ii) *shall take effect upon the expira-*  
17                   *tion of the 180-day period that begins upon*  
18                   *the conclusion of such 12-month period; and*

19                   “(B) *not later than 10 days after the expi-*  
20                   *ration of such 12-month period, the Secretary*  
21                   *shall cause to be published in the Federal Reg-*  
22                   *ister a notice of the failure of the Secretary to*  
23                   *act, the revised standard, and the effective date*  
24                   *of the revised standard, which notice shall be*  
25                   *deemed to be an order of the Secretary approving*

1           *the revised standards proposed by the consensus*  
2           *committee.*

3           “(b) *OTHER ORDERS.*—

4           “(1) *REGULATIONS.*—*The Secretary may issue*  
5           *procedural and enforcement regulations as necessary*  
6           *to implement the provisions of this title. The con-*  
7           *sensus committee may submit to the Secretary pro-*  
8           *posed procedural and enforcement regulations and*  
9           *recommendations for the revision of such regulations.*

10          “(2) *INTERPRETATIVE BULLETINS.*—*The Sec-*  
11          *retary may issue interpretative bulletins to clarify the*  
12          *meaning of any Federal manufactured home construc-*  
13          *tion and safety standard or procedural and enforce-*  
14          *ment regulation. The consensus committee may sub-*  
15          *mit to the Secretary proposed interpretative bulletins*  
16          *to clarify the meaning of any Federal manufactured*  
17          *home construction and safety standard or procedural*  
18          *and enforcement regulation.*

19          “(3) *REVIEW BY CONSENSUS COMMITTEE.*—*Be-*  
20          *fore issuing a procedural or enforcement regulation or*  
21          *an interpretative bulletin—*

22                 “(A) *the Secretary shall—*

23                         “(i) *submit the proposed procedural or*  
24                         *enforcement regulation or interpretative*  
25                         *bulletin to the consensus committee; and*

1           “(ii) provide the consensus committee  
2           with a period of 120 days to submit written  
3           comments to the Secretary on the proposed  
4           procedural or enforcement regulation or the  
5           interpretative bulletin; and

6           “(B) if the Secretary rejects any significant  
7           comment provided by the consensus committee  
8           under subparagraph (A), the Secretary shall pro-  
9           vide a written explanation of the reasons for the  
10          rejection to the consensus committee; and

11          “(C) following compliance with subpara-  
12          graphs (A) and (B), the Secretary shall—

13               “(i) cause the proposed regulation or  
14               interpretative bulletin and the consensus  
15               committee’s written comments along with  
16               the Secretary’s response thereto to be pub-  
17               lished in the Federal Register; and

18               “(ii) provide an opportunity for public  
19               comment in accordance with section 553 of  
20               title 5, United States Code.

21          “(4) *REQUIRED ACTION.*—The Secretary shall  
22          act on any proposed regulation or interpretative bul-  
23          letin submitted by the consensus committee by ap-  
24          proving or rejecting the proposal within 120 days

1     *from the date the proposal is received by the Sec-*  
2     *retary. The Secretary shall either—*

3             *“(A) approve the proposal and cause the*  
4             *proposed regulation or interpretative bulletin to*  
5             *be published for public comment in accordance*  
6             *with section 553 of title 5, United States Code;*  
7             *or*

8             *“(B) reject the proposed regulation or inter-*  
9             *pretative bulletin and—*

10            *“(i) provide a written explanation of*  
11            *the reasons for rejection to the consensus*  
12            *committee; and*

13            *“(ii) cause the proposed regulation and*  
14            *the written explanation for the rejection to*  
15            *be published in the Federal Register.*

16            *“(5) EMERGENCY ORDERS.—If the Secretary de-*  
17            *termines, in writing, that such action is necessary in*  
18            *order to respond to an emergency which jeopardizes*  
19            *the public health or safety, or to address an issue on*  
20            *which the Secretary determines that the consensus*  
21            *committee has not made a timely recommendation,*  
22            *following a request by the Secretary, the Secretary*  
23            *may issue an order that is not developed under the*  
24            *procedures set forth in subsection (a) or in this sub-*  
25            *section, if the Secretary—*

1           “(A) provides to the consensus committee a  
2           written description and sets forth the reasons  
3           why emergency action is necessary and all sup-  
4           porting documentation; and

5           “(B) issues and publishes the order in the  
6           Federal Register.

7           “(6) CHANGES.—Any statement of policies, prac-  
8           tices, or procedures relating to construction and safety  
9           standards, inspections, monitoring, or other enforce-  
10          ment activities which constitutes a statement of gen-  
11          eral or particular applicability and future offset and  
12          decisions to implement, interpret, or prescribe law of  
13          policy by the Secretary is subject to the provisions of  
14          subsection (a) or (b) of this subsection. Any change  
15          adopted in violation of the provisions of subsection  
16          (a) or (b) of this subsection is void.

17          “(7) TRANSITION.—Until the date that the con-  
18          sensus committee is appointed pursuant to section  
19          1104(a)(3), the Secretary may issue proposed orders  
20          that are not developed under the procedures set forth  
21          in this section for new and revised standards.”;

22          (2) in subsection (d), by adding at the end the  
23          following: “Federal preemption under this subsection  
24          shall be broadly and liberally construed to ensure that  
25          disparate State or local requirements or standards do

1       *not affect the uniformity and comprehensiveness of the*  
2       *standards promulgated hereunder nor the Federal su-*  
3       *perintendence of the manufactured housing industry*  
4       *as established by this title. Subject to section 605,*  
5       *there is reserved to each State the right to establish*  
6       *standards for the stabilizing and support systems of*  
7       *manufactured homes sited within that State, and for*  
8       *the foundations on which manufactured homes sited*  
9       *within that State are installed, and the right to en-*  
10      *force compliance with such standards, except that*  
11      *such standards shall be consistent with the purposes*  
12      *of this title and shall be consistent with the design of*  
13      *the manufacturer.”;*

14               *(3) by striking subsection (e);*

15               *(4) in subsection (f), by striking the subsection*  
16      *designation and all of the matter that precedes para-*  
17      *graph (1) and inserting the following:*

18      “(e) *CONSIDERATIONS IN ESTABLISHING AND INTER-*  
19      *PRETING STANDARDS AND REGULATIONS.—The consensus*  
20      *committee, in recommending standards, regulations, and*  
21      *interpretations, and the Secretary, in establishing stand-*  
22      *ards or regulations, or issuing interpretations under this*  
23      *section, shall—”;*

24               *(5) by striking subsection (g);*

1           (6) in the first sentence of subsection (j), by  
 2       striking “subsection (f)” and inserting “subsection  
 3       (e)”; and

4           (7) by redesignating subsections (h), (i), and (j),  
 5       as subsections (f), (g), and (h), respectively.

6   **SEC. 1105. ABOLISHMENT OF NATIONAL MANUFACTURED**  
 7                   **HOME ADVISORY COUNCIL; MANUFACTURED**  
 8                   **HOME INSTALLATION.**

9       (a) *IN GENERAL.*—Section 605 (42 U.S.C. 5404) is  
 10   amended to read as follows:

11   **“SEC. 605. MANUFACTURED HOME INSTALLATION.**

12       “(a) *PROVISION OF INSTALLATION DESIGN AND IN-*  
 13   *STRUCTIONS.*—A manufacturer shall provide with each  
 14   manufactured home, design and instructions for the instal-  
 15   lation of the manufactured home that have been approved  
 16   by a design approval primary inspection agency. After es-  
 17   tablishment of model standards under subsection (b)(2), a  
 18   design approval primary inspection agency may not give  
 19   such approval unless a design and instruction provides  
 20   equal or greater protection than the protection provided  
 21   under such model standards.

22       “(b) *MODEL MANUFACTURED HOME INSTALLATION*  
 23   *STANDARDS.*—

24       “(1) *PROPOSED MODEL STANDARDS.*—Not later  
 25   than 18 months after the date on which the initial

1       *appointments of all of the members of the consensus*  
2       *committee are completed, the consensus committee*  
3       *shall develop and submit to the Secretary proposed*  
4       *model manufactured home installation standards,*  
5       *which shall, to the maximum extent possible, taking*  
6       *into account the factors described in section 604(e), be*  
7       *consistent with—*

8               “(A) *the home designs that have been ap-*  
9               *proved by a design approval primary inspection*  
10              *agency; and*

11              “(B) *the designs and instructions for the in-*  
12              *stallation of manufactured homes provided by*  
13              *manufacturers under subsection (a).*

14              “(2) *ESTABLISHMENT OF MODEL STANDARDS.—*  
15       *Not later than 12 months after receiving the proposed*  
16       *model standards submitted under paragraph (1), the*  
17       *Secretary shall develop and establish model manufac-*  
18       *tured home installation standards, which shall be con-*  
19       *sistent with—*

20              “(A) *the home designs that have been ap-*  
21              *proved by a design approval primary inspection*  
22              *agency; and*

23              “(B) *the designs and instructions for the in-*  
24              *stallation of manufactured homes provided by*  
25              *manufacturers under subsection (a).*



1           “(3) *FACTORS FOR CONSIDERATION.*—

2                   “(A) *CONSENSUS COMMITTEE.*—*In devel-*  
3                   *oping the proposed model standards under para-*  
4                   *graph (1), the consensus committee shall consider*  
5                   *the factors described in section 604(e).*

6                   “(B) *SECRETARY.*—*In developing and es-*  
7                   *tablishing the model standards under paragraph*  
8                   *(2), the Secretary shall consider the factors de-*  
9                   *scribed in section 604(e).*

10          “(c) *MANUFACTURED HOME INSTALLATION PRO-*  
11 *GRAMS.*—

12                   “(1) *PROTECTION OF MANUFACTURED HOUSING*  
13 *RESIDENTS DURING INITIAL PERIOD.*—*During the 5-*  
14 *year period beginning on the date of enactment of the*  
15 *Manufactured Housing Improvement Act, no State or*  
16 *manufacturer may establish or implement any instal-*  
17 *lation standards that, in the determination of the*  
18 *Secretary, provide less protection to the residents of*  
19 *manufactured homes than the protection provided by*  
20 *the installation standards in effect with respect to the*  
21 *State or manufacturer, as applicable, on the date of*  
22 *enactment of the Manufactured Housing Improvement*  
23 *Act.*

24                   “(2) *INSTALLATION STANDARDS.*—

1           “(A) *ESTABLISHMENT OF INSTALLATION*  
2           *PROGRAM.*—Not later than the expiration of the  
3           5-year period described in paragraph (1), the  
4           Secretary shall establish an installation program  
5           that meets the requirements of paragraph (3) for  
6           the enforcement of installation standards in each  
7           State described in subparagraph (B).

8           “(B) *IMPLEMENTATION OF INSTALLATION*  
9           *PROGRAM.*—Beginning on the expiration of the  
10          5-year period described in paragraph (1), the  
11          Secretary shall implement the installation pro-  
12          gram established under subparagraph (A) in  
13          each State that does not have an installation  
14          program established by State law that meets the  
15          requirements of paragraph (3).

16          “(C) *CONTRACTING OUT OF IMPLEMENTA-*  
17          *TION.*—In carrying out subparagraph (B), the  
18          Secretary may contract with an appropriate  
19          agent to implement the installation program es-  
20          tablished under that subparagraph, except that  
21          such agent shall not be a person or entity other  
22          than a government, nor an affiliate or sub-  
23          sidiary of such a person or entity, that has en-  
24          tered into a contract with the Secretary to im-

1            *plement any other regulatory program under*  
2            *this title.*

3            *“(3) REQUIREMENTS.—An installation program*  
4            *meets the requirements of this paragraph if it is a*  
5            *program regulating the installation of manufactured*  
6            *homes that includes—*

7                    *“(A) installation standards that, in the de-*  
8                    *termination of the Secretary, provide protection*  
9                    *to the residents of manufactured homes that*  
10                   *equals or exceeds the protection provided to those*  
11                   *residents by—*

12                   *“(i) the model manufactured home in-*  
13                   *stallation standards established under sub-*  
14                   *section (b); or*

15                   *“(ii) the designs and instructions pro-*  
16                   *vided by manufacturers under subsection*  
17                   *(a), if the Secretary determines that such*  
18                   *designs and instructions provide protection*  
19                   *to the residents of the manufactured home*  
20                   *that equals or exceeds the protection pro-*  
21                   *vided by the model manufactured home in-*  
22                   *stallation standards established under sub-*  
23                   *section (b);*

24                   *“(B) the training and licensing of manufac-*  
25                   *tured home installers; and*

1                   “(C) inspection of the installation of manu-  
2                   factured homes.”.

3           (b) *CONFORMING AMENDMENTS.*—Section 623(c) (42  
4 *U.S.C. 5422(c)*) is amended—

5                   (1) in paragraph (10), by striking “and” at the  
6                   end;

7                   (2) by redesignating paragraph (11) as para-  
8                   graph (13); and

9                   (3) by inserting after paragraph (10) the fol-  
10                  lowing:

11                   “(11) with respect to any State plan submitted  
12                   on or after the expiration of the 5-year period begin-  
13                   ning on the date of enactment of the Manufactured  
14                   Housing Improvement Act, provides for an installa-  
15                   tion program established by State law that meets the  
16                   requirements of section 605(c)(3);”.

17 **SEC. 1106. PUBLIC INFORMATION.**

18           Section 607 (42 *U.S.C. 5406*) is amended—

19                   (1) in subsection (a)—

20                           (A) by inserting “to the Secretary” after  
21                           “submit”; and

22                           (B) by adding at the end the following:  
23                           “The Secretary shall submit such cost and other  
24                           information to the consensus committee for eval-  
25                           uation.”;

1           (2) *in subsection (d), by inserting “, the con-*  
 2           *sensus committee,” after “public”; and*

3           (3) *by striking subsection (c) and redesignating*  
 4           *subsections (d) and (e) as subsections (c) and (d), re-*  
 5           *spectively.*

6 **SEC. 1107. RESEARCH, TESTING, DEVELOPMENT, AND**  
 7           **TRAINING.**

8           (a) *IN GENERAL.*—Section 608(a) (42 U.S.C. 5407(a))  
 9           *is amended—*

10           (1) *in paragraph (2), by striking “and” at the*  
 11           *end;*

12           (2) *in paragraph (3), by striking the period at*  
 13           *the end and inserting a semicolon; and*

14           (3) *by adding at the end the following new para-*  
 15           *graphs:*

16           “(4) *encouraging the government sponsored hous-*  
 17           *ing entities to actively develop and implement sec-*  
 18           *ondary market securitization programs for FHA*  
 19           *manufactured home loans and those of other loan pro-*  
 20           *grams, as appropriate, thereby promoting the avail-*  
 21           *ability of affordable manufactured homes to increase*  
 22           *homeownership for all people in the United States;*  
 23           *and*

24           “(5) *reviewing the programs for FHA manufac-*  
 25           *tured home loans and developing any changes to such*

1        *programs to promote the affordability of manufac-*  
2        *tured homes, including changes in loan terms, amor-*  
3        *tization periods, regulations, and procedures.”.*

4        *(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is*  
5        *amended by adding at the end the following new subsection:*

6        *“(c) DEFINITIONS.—For purposes of this section, the*  
7        *following definitions shall apply:*

8                *“(1) GOVERNMENT SPONSORED HOUSING ENTI-*  
9        *TIES.—The term ‘government sponsored housing enti-*  
10       *ties’ means the Government National Mortgage Asso-*  
11       *ciation of the Department of Housing and Urban De-*  
12       *velopment, the Federal National Mortgage Associa-*  
13       *tion, and the Federal Home Loan Mortgage Corpora-*  
14       *tion.*

15               *“(2) FHA MANUFACTURED HOME LOANS.—The*  
16       *term ‘FHA manufactured home loan’ means a loan*  
17       *that—*

18                *“(A) is insured under title I of the National*  
19       *Housing Act and is made for the purpose of fi-*  
20       *nancing alterations, repairs, or improvements on*  
21       *or in connection with an existing manufactured*  
22       *home, the purchase of a manufactured home, the*  
23       *purchase of a manufactured home and a lot on*  
24       *which to place the home, or the purchase only of*  
25       *a lot on which to place a manufactured home; or*

1                   “(B) otherwise insured under the National  
 2                   Housing Act and made for or in connection with  
 3                   a manufactured home.”.

4   **SEC. 1108. FEES.**

5           Section 620 (42 U.S.C. 5419) is amended to read as  
 6 follows:

7                   “AUTHORITY TO ESTABLISH FEES

8           “SEC. 620. (a) IN GENERAL.—In carrying out inspec-  
 9 tions under this title, in developing standards and regula-  
 10 tions pursuant to section 604, and in facilitating the ac-  
 11 ceptance of the affordability and availability of manufac-  
 12 tured housing within the Department, the Secretary may—

13                   “(1) establish and collect from manufactured  
 14 home manufacturers such reasonable fees as may be  
 15 necessary to offset the expenses incurred by the Sec-  
 16 retary in connection with carrying out the respon-  
 17 sibilities of the Secretary under this title, including—

18                   “(A) conducting inspections and moni-  
 19 toring;

20                   “(B) providing funding to States for the ad-  
 21 ministration and implementation of approved  
 22 State plans under section 623, including reason-  
 23 able funding for cooperative educational and  
 24 training programs designed to facilitate uniform  
 25 enforcement under this title; these funds may be  
 26 paid directly to the States or may be paid or

1       *provided to any person or entity designated to*  
2       *receive and disburse such funds by cooperative*  
3       *agreements among participating States, provided*  
4       *that such person or entity is not otherwise an*  
5       *agent of the Secretary under this title;*

6               “(C) *providing the funding for a noncareer*  
7       *administrator and Federal staff personnel for the*  
8       *manufactured housing program;*

9               “(D) *administering the consensus committee*  
10       *as set forth in section 604; and*

11              “(E) *facilitating the acceptance of the qual-*  
12       *ity, durability, safety, and affordability of man-*  
13       *ufactured housing within the Department; and*

14              “(2) *use any fees collected under paragraph (1)*  
15       *to pay expenses referred to in paragraph (1), which*  
16       *shall be exempt and separate from any limitations on*  
17       *the Department of Housing and Urban Development*  
18       *regarding full-time equivalent positions and travel.*

19              “(b) *CONTRACTORS.—When using fees under this sec-*  
20       *tion, the Secretary shall ensure that separate and inde-*  
21       *pendent contractors are retained to carry out monitoring*  
22       *and inspection work and any other work that may be dele-*  
23       *gated to a contractor under this title.*

24              “(c) *PROHIBITED USE.—Fees collected under sub-*  
25       *section (a) shall not be used for any purpose or activity*



1 *not specifically authorized by this title unless such activity*  
 2 *was already engaged in by the Secretary prior to the date*  
 3 *of enactment of this title.*

4 “(d) *MODIFICATION.—Any fee established by the Sec-*  
 5 *retary under this section shall only be modified pursuant*  
 6 *to rulemaking in accordance with section 553 of title 5,*  
 7 *United States Code.*

8 “(e) *APPROPRIATION AND DEPOSIT OF FEES.—*

9 “(1) *IN GENERAL.—There is established in the*  
 10 *Treasury of the United States a fund to be known as*  
 11 *the ‘Manufactured Housing Fees Trust Fund’ for de-*  
 12 *posit of all fees collected pursuant to subsection (a).*  
 13 *These fees shall be held in trust for use only as pro-*  
 14 *vided in this title.*

15 “(2) *APPROPRIATION.—Such fees shall be avail-*  
 16 *able for expenditure only to the extent approved in an*  
 17 *annual appropriation Act.”.*

18 **SEC. 1109. DISPUTE RESOLUTION.**

19 *Section 623(c) (42 U.S.C. 5422(c)), as amended by sec-*  
 20 *tion 5(b) of this Act, is amended by inserting after para-*  
 21 *graph (11) (as added by section 5(b) of this Act) the fol-*  
 22 *lowing:*

23 “(12) *with respect to any State plan submitted*  
 24 *on or after the expiration of the 5-year period begin-*  
 25 *ning on the date of enactment of the Manufactured*

1     *Housing Improvement Act, provides for a dispute res-*  
 2     *olution program for the timely resolution of disputes*  
 3     *between manufacturers, retailers, and installers of*  
 4     *manufactured homes regarding responsibility, and for*  
 5     *the issuance of appropriate orders, for the correction*  
 6     *or repair of defects in manufactured homes that are*  
 7     *reported during the 1-year period beginning on the*  
 8     *date of installation; and”;* and

9             (2) *by adding at the end the following:*

10       “(g) *ENFORCEMENT OF DISPUTE RESOLUTION STAND-*  
 11     *ARDS.—*

12             “(1) *ESTABLISHMENT OF DISPUTE RESOLUTION*  
 13     *PROGRAM.—Not later than the expiration of the 5-*  
 14     *year period beginning on the date of enactment of the*  
 15     *Manufactured Housing Improvement Act, the Sec-*  
 16     *retary shall establish a dispute resolution program*  
 17     *that meets the requirements of subsection (c)(12) for*  
 18     *dispute resolution in each State described in para-*  
 19     *graph (2).*

20             “(2) *IMPLEMENTATION OF DISPUTE RESOLUTION*  
 21     *PROGRAM.—Beginning on the expiration of the 5-year*  
 22     *period described in paragraph (1), the Secretary shall*  
 23     *implement the dispute resolution program established*  
 24     *under paragraph (1) in each State that has not estab-*

1       lished a dispute resolution program that meets the re-  
2       quirements of subsection (c)(12).

3               “(3) *CONTRACTING OUT OF IMPLEMENTATION.*—  
4       *In carrying out paragraph (2), the Secretary may*  
5       *contract with an appropriate agent to implement the*  
6       *dispute resolution program established under that*  
7       *paragraph, except that such agent shall not be a per-*  
8       *son or entity other than a government, nor an affil-*  
9       *iate or subsidiary of such a person or entity, that has*  
10       *entered into a contract with the Secretary to imple-*  
11       *ment any other regulatory program under this title.”.*

12   **SEC. 1110. ELIMINATION OF ANNUAL REPORT REQUIRE-**  
13               **MENT.**

14       *The Act is amended—*

15               (1) *by striking section 626 (42 U.S.C. 5425);*  
16       *and*

17               (2) *by redesignating sections 627 and 628 (42*  
18       *U.S.C. 5426, 5401 note) as sections 626 and 627, re-*  
19       *spectively.*

20   **SEC. 1111. EFFECTIVE DATE.**

21       *The amendments made by this title shall take effect*  
22       *on the date of enactment of this Act, except that the amend-*  
23       *ments shall have no effect on any order or interpretative*  
24       *bulletin that is published as a proposed rule pursuant to*

1 *section 553 of title 5, United States Code, on or before such*  
2 *date.*

3 **SEC. 1112. SAVINGS PROVISION.**

4       (a) *STANDARDS AND REGULATIONS.*—*The Federal*  
5 *manufactured home construction and safety standards (as*  
6 *such term is defined in section 603 of the National Manu-*  
7 *factured Housing Construction and Safety Standards Act*  
8 *of 1974) and all regulations pertaining thereto in effect im-*  
9 *mediately before the date of the enactment of this Act shall*  
10 *apply until the effective date of a standard or regulation*  
11 *modifying or superseding the existing standard or regula-*  
12 *tion which is promulgated under subsection (a) or (b) of*  
13 *section 604 of the National Manufactured Housing Con-*  
14 *struction and Safety Standards Act of 1974, as amended*  
15 *by this title.*

16       (b) *CONTRACTS.*—*Any contract awarded pursuant to*  
17 *a Request for Proposal issued before the date of enactment*  
18 *of this Act shall remain in effect for a period of 2 years*  
19 *from the date of enactment of this Act or for the remainder*  
20 *of the contract term, whichever period is shorter.*